Impact of Family Influence on Top Management Team in Family Businesses: A Path-Analytic Study on Automotive Parts Industry in Turkey

M. Dudaroğlu[1], M. Atilla Öner[2], Özgür Önday[3]
[1]PhD, Managing Director, EKU Fren Kampana AŞ, md@eku.com.tr
[2]Assoc. Prof., Yeditepe University Dept. of Business Administration, maoner@yeditepe.edu.tr
[3]PhD student, Yeditepe University Dept. of Business Administration, ozgur.onday@std.yeditepe.edu.tr

Abstract

The research tested the hypothesized relationships among family influence, behavioral integration, professionalization and succession planning of the top management team, market dynamism and firm performance. Thus, this study also examines variation in family and non-family executives' perception of research variables.

The automotive parts manufacturing industry (i.e., automotive supplier industry) in Turkey is the target research field in this study since the majority of the firms are family-owned and -operated.

The results of the study indicated a positive relationship among culture (values & loyalty, involvement & commitment) based family influence, top management team behavioral integration and firm performance. A positive impact of collaborative behavior based top management team behavioral integration on top management team succession planning by means of strategic goals and core competencies were found.

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Another finding was the positive impact of corporate values – based top management team succession planning on top management team professionalization. Further, there was a significant perceptual difference between family and non-family executives about the degree of professionalization.

Finally, there was a significant difference in the hypothesized relationships among overall, family, and non-family executives.

Keywords: Top management team, Family and non- family executives, culture.

Aile İşletmelerinde Aile Etkisinin Üst Yönetim Takımına Etkisi: Türkiye'de Otomotiv Parçaları Endüstrisi Üzerine Bir Yol-Analitik Çalışması

Öz

Araştırma, aile etkisi, davranışsal entegrasyon, profesyonelleşme ve üst yönetim ekibinin arka arkaya planlanması, pazar dinamizmi ve firma performansı arasındaki varsayımsal ilişkileri test etti. Bu nedenle, bu çalışma aynı zamanda aile içi ve aile dışı yöneticilerin araştırma değişkenleri algısındaki farklılıkları da incelemektedir.

Türkiye'deki otomotiv parça imalat sanayii – yan sanayii, firmaların çoğunluğunun ailelere ait olduğu ve onlar işlettikleri için bu araştırmada hedef araştırma alanıdır.

Çalışmanın sonuçları kültür – değerler ve sadakat, katılım ve bağlılık açısından temelli aile etkisi, üst yönetim ekibi davranışsal entegrasyonu ve firma performansı arasında pozitif bir ilişki olduğunu göstermiştir. İşbirlikçi davranış üst yönetim ekibi davranışsal entegrasyonunun stratejik hedefler ve temel yetkinlikler aracılığıyla üst yönetim ekibinde planlama üzerinde olumlu etki göstermiştir.

Bir diğer bulgu, kurumsal değerlere dayalı üst yönetim ekibi profesyonelleşmesi üzerindeki olumlu etkisidir. Ayrıca, aile içi ve aile dışındaki yöneticiler arasında profesyonelleşme derecesi ile ilgili anlamlı bir fark bulunmuştur.

Son olarak, aile içi ve aile dışı yöneticiler arasındaki hipotez ilişkileri arasında anlamlı bir fark vardı.

Anahtar Kelimeler: Üst Yönetim Ekibi, Aile içi ve aile dışı yöneticiler, Kültür.

1. Introduction

The controlling family's influence on shaping top management team's structure, level of behavioral integration, managerial succession and level of professionalization is inevitable. Nevertheless, the extended family's influence is dubious. While some researchers argue that top management teams have little impact on organizational success, some research indicates otherwise (computer, chemical, and natural-gas distribution industries in USA, Finkelstein and Hambrick, 1990).

There have been a few empirical studies reporting to test the relationships between the top management team and a firm's performance (manufacturing, retailing and the transportation sectors in USA, Hambrick and D'Aveni, 1992; 134 Fortune 500 companies from various industries in USA, Michel and Hambrick, 1992; the computer industry and the natural gas distribution industry in USA, Haleblian and Finkelstein, 1993) in the early literature, but the findings were contradictory. Scholars present competing approaches grounded in two dominant paradigms in the well-known managerial literature (U.S. family businesses, Chua et al., 2003b).

The first approach concentrates on agency theory, and uses this paradigm to posit a 'dark side' of family ownership, placing emphasis on the risks of 'agency transfers' within the family unit (U.S. family businesses, Lubatkin et al., 2005; 37,500 privately held U.S. family businesses, Schulze et al., 2002, 2003).

The second approach concentrates on the resource-based view of the firm. It presents a 'bright side' of family ownership and management through the 'familiness' concept (Habbershon and Williams, 1999; Habbershon et al., 2003), which says that family firms differ from non-family for the main resources and capabilities they develop. The term familiness is defined as 'the unique combination of involvement and interactions' (Habbershon and Williams, 1999) that create success through trust, commitment and altruism.

There are not very many studies on TMTs in family firms, either. Recently this topic has attracted the attention of scholars in the family research field (The Inc. 500 companies in USA at 1982, Ensley and

Pearson, 2005; U.S. family businesses, Nordqvist, 2005). Existing studies are quite new and scant. However, no empirical study has investigated TMT's characteristics and dynamics in family firms operating in the automotive industry in Turkey. Thus, no comparative study measuring the role of family and non-family members of TMTs on strategic decisions is available.

There is a positive relationship between the percentage of outsiders on the governance board and the level of business continuity planning (Malone, 1989). The degree of non-family executives' involvement in governance and management roles in family firms is related to their number in executive positions (Songini, 2006). The entry of a non-family executive may create some tension within the organization, but their presence may help to avoid interpersonal conflicts and problems in the family that owns the organization (U.S. family businesses, Klein and Bell, 2007). They can provide objectivity in decision-making processes (Quebecor, a large global family firm and Steinberg Corporation, a large family firm in Montreal, Ibrahim et al., 2001).

At that point, a third approach claims that altruism and consequences of altruism (i.e. the Samaritan dilemma) complicate decision making in family firms (37,304 privately held U.S. family businesses, Schulze et al., 2001). They argue that altruism, in which family management favours decisions that empower the firm's profits, fundamentally characterizes a family firm because the utility functions of key decision makers are linked, thereby influencing the incentives facing these key decision makers. Based on this research, one can conclude that if altruism is tempered and the consequences of joint utility are well managed, agency cost can be greatly minimized and thus lead to superior firm performance. This continuing debate on the advantages and disadvantages matched with family ownership and management has led scholars to devote increasing attention to firm outcomes as a way to further understand the relationships between family characteristics and firm financial performance (Standard & Poor's 500 Index: 403 nonutility/nonbanking firms, yielding 2,713 firms –organizational forms in lumber

and wood products (24), printing and publishing (27), rubber and miscellaneous plastic products (30), electric, gas, and sanitary services (49), food stores (54), apparel and accessory stores (56), eating and drinking places (58), miscellaneous retail (59), and business services (73) Anderson and Reeb, 2003; Sample comprises a panel of 52,787 shareholder-firm-year observations, representing 2,808 firm-years from 508 firms listed on the Fortune 500 during the period 1994–2000.sample firms span 53 different two-digit SIC codes and 41 of the 48 industries defined by Fama and French (1997) Drugs, Medical Equipment, Health, Computers, Business Systems, Lab Equipment, Household, Meals, Beer, Persv, Construction, Retail, Fun, Food, Agriculture, Machine, Books, Aero, Coal, Guns, Whist, Furniture, Electric Equipment, Boxes, Build Management, Gold, Misc, Transportation, Rubber, Fabrication, Clothing, Chemistry, Toys, Ships, Soda, Energy, Mines, Smoke, Paper, Textiles, Banks, Telecom, Utilities, Retail Estate, Steel and Automobile Industries, Villalonga and Amit, 2006).

How to satisfy the expectations of a highly valued non-family executive is a critical question for family firms (U.S. family businesses, Klein and Bell, 2007). It is important to know the perceptions and expectations of family and non-family executives in top management about TMT Professionalization. Their degree of their commitment to professionalization needs to be ascertained. No such empirical study has done on family firms operating in the automotive supplier industry in Turkey.

In Turkey, the automotive sector has functioned as a locomotive industry in the economy because many sectors are related to it. The automotive industry is made up of two sectors: firstly, the main automotive sector and secondly the supplier industry. The automotive sector uses inputs such as steel, sheet iron, plastic, chemistry, glass and electrical pieces. Thus the automotive sector is one of the key driving sectors of the economy in all industrialized nations and developing countries like Turkey. The leading companies that manufacture vehicles are from the United States, the countries that are members of European Union and the countries in Central and Far Asia. The main automotive

companies need numerous parts and components. There are different procedures in the procurement of these parts. There are procedures that are widely used by basic mega suppliers. These mega suppliers move to the production regions of the main automotive manufacturers. The ownership structure of some of these companies is %100 foreign. Some of the other companies are formed as joint ventures and they make investments.

During the late 1980s and the initial years of the 21st century, automotive supplier firms in Turkey experienced an accelerated pace of change. Currently, they operate in hyper-competitive environments having unprecedented and unpredictable events. With globalization, firms have to face significant uncertainty, ambiguity and increasing strategic discontinuity. The peak price reached in raw materials, the pressure from regulators and public opinion on environmental preoccupations and the emergence of new players are examples of issues that the automotive landscape faces in reorganization (Automobile Industry in USA, Global Automotive Financial Review, 2007). Unfortunately, empirical study of them has not investigated the effect of market dynamism on firm performance in the automotive supplier industry in Turkey.

The main automotive firms have moved their production to the countries where the cost is lower and the conditions are suitable in order to adapt to the global competition. Thus, the manufacturing processes have been moved to Eastern European countries, Turkey and Asian countries. Turkey has been connected increasingly to the worlds' automotive market since 1990. The manufacturing of the famous models of the well-known companies have been encouraged. Legal provisions have been made to encourage these processes.

As the automotive industry develops, the supplier industry also develops. The automotive parts manufacturing industry (i.e. automotive supplier industry) in Turkey is the target research field for this study since the majority of the firms are family owned and operated (Automobile Industry in Turkey, TAYSAD, 2007).

The purpose of this study is to investigate the dynamics in family firms operating in the automotive parts supplier industry in Turkey. To

explore the impacts of family influence on the behavioral integration of TMT, succession planning of TMT, professionalization of TMT, and firm performance are the aims of this study. Furthermore, the study also tests the impact of market dynamism on research variables.

This study contributes to the practical and theoretical field of family business research in several ways by drawing from three research fields: family business continuity, upper echelon, and strategic management. The study incorporates the F-PEC Model for conceptualizing and operationalizing the level of family influence or "families" on the business through power, experience, and culture as definitional variables. In doing so, it further tests the validity and reliability of F-PEC in Turkey TMTs have not been examined thoroughly in the family business literature. This study at least partially closes this gap and explores the level of integration in family-influenced teams and their effects. It is expected that these family firms will eventually face TMT succession problems. Most of the research on succession has covered such topics as CEO turnover, successor selection, internal or external succession, and successor and predecessor fit. These topics all focus on succession at the individual level. This study is conducted at the organizational level, investigating the relationships between TMT succession planning and organizational variables.

This study expected to build on past research and tries to explain the financial outcomes of family-controlled firms by incorporating an upper echelon perspective (Finkelstein et al., 2008; Standards and Poor publication of annual directories of biographical data on officers of major firms, Hambrick and Mason, 1984). We do so by matching insights from two strains of literature. First, we look at the strategic management literature that deals that some of firm performance is a reflection of its top management team (TMT) (Standards and Poor publication of annual directories of biographical data on officers of major firms, Hambrick and Mason, 1984). Second, we present insights from the family business literature that addresses questions of how family involvement in the firm makes contributions to its financial outcomes. The reason we chose to combine strategic management research with family business literature,

and particularly with the upper echelon perspective, is because of two major shortcomings in past research.

First, family business literature overestimate the cruciality of family top executives, with the exception of a recent study by The Inc. 500 in the United States, introduced in 1982, Ensley and Pearson (2005) that underlines the significance of the level of 'familiness' of the TMTs, defined as the level of family involvement within the group of top executives in family firms. Second, the upper echelon research concentrates mostly on large public companies and fails to explore firms with highly concentrated ownership. These two shortcomings cannot be successful to address the predictive power of TMTs' characteristics on the performance of medium and large family-controlled firms, which often combine the distinctive features of large public companies with the typical traits of family firms, such as family involvement (Miller and Le Breton-Miller, 2006).

We aim to measure whether family involvement in the TMT, and thus the TMT familiness, helps explain variations in firm performance. More specifically, we try to explore whether or not 'faultlines' (Lau and Murnighan, 1998), apply in the setting of family-controlled firms. We investigate whether familiness make contribution to factional tensions and consequent faultlines, which then influence firm performance. We argue that familiness sets up family and non-family factions in the TMT, and creates divides that impact performance.

This study hopes to guide family firms by increasing the awareness of the need to make succession plans as well as of the importance of top management teams' behavioral integration in family firms. Moreover, it also enhances understanding of the role of market dynamism in the relationships between research variables.

The paper is structured as follows. The next section reviews the relevant literature and develops the hypotheses and the model. The section 3 discusses the methodology whereas section 4 introduces the results. In section 5 we present the results of our study and evaluate them. The final section covers conclusion, further research recommendations and limitations of the study.

2. Literature Review and Hypotheses

In this section we will review the relevant literature and develop hypotheses of the proposed model.

2.1. Family Business

In the extant literature, there is no consensus on family business definitions. The nature of the challenge to define the family business stems from its multidimensional characteristic. Therefore, it is difficult to pinpoint any one characteristic so common that both practitioners and academics can agree on it. Ownership distribution or control, intergenerational transfer, family involvement in management, and degree of family influence vary (Lansberg, 1999; Davis, 2001; Chrisman et al., 2002) as the size and type of the firm range from small shops to large family businesses. Family businesses are not simple entities but rather consist of a wide range of complex and conflicting issues (Birley, Ng, Godfrey, 1999). Scholars have focused on various aspects of family businesses to distinguish them from other organizations, but there is a lack of agreement on the criteria to use to define a family business (Handler, 1989; Davis, 2001; Astrachan et al., 2002; Astrachan and Shanker, 2003). The only criterion that scholars truly agree on is that *a business owned and run by a nuclear family (e.g. founder, spouse, and children) is a family business* (Chua et al., 1999). Scholars are divided because they view family businesses from different facets. Handler (1989) classified family businesses in four categories based on various standpoints appearing in the literature: ownership-management, family involvement, generational transfer, and multiple conditions, shown in Table 1. However, Handler (1989, p. 262) distinguishes family businesses from other organizations according to three dimensions: "ownership structure, family involvement, generational transfer" and defines as "*family business is an organization whose major operating decisions and plans for leadership succession are influenced by family members serving in management or on the board."*

Table 1: Alternative Definitions of Family Business(Handler, 1989)

OWNERSHIP - MAN AGEMENT	
Barry (1975)	‘ An enterprise, winch, in practice, is controlled by the members of a smgle family” (p.42).
Barnes and Hershon (1976)	“Controlling ownership (is) rested in the hands of an individual or of the members of a smgle family” (p.106).
Aleora (1982)	“A profit-maknig concern that is a proprietorship, a partnership, or a corporation... If part of the stock is publicly owned, the family must also operate the business” (p.23).
Stem (1986)	“(A business) owned and nm by members of one or two families” (p. XXI).
Dyer (1986)	“A family firm is an organization in which decisions regardmg its ownership or management are influenced by a relationship to a family (families)” (p. XIV).
Lansberg. Perrow and Rogolsky	“A business in winch the members of a family have legal control over ownership” (p.2).
INTERDEPENDENT SUBSYSTEMS (FAMILY INVOLVEMENT IN THE BUSINESS)	
Beckliard and Dyer (1983b)	“The subsystems m the family firm system ... Include (1) the busmess as an entity’. (2) the family as an entity, (3) the founder as an entity’, and (4) such linkmg organizations as the board of directors” (p.6).
Davis (1983)	“It is the interaction between two sets of organizations, family and business, that establishes the basic character of the family busmess and defines its uniqueness” (p.52).
Ward (1987)	“(A business) that will be passed on for the family’s next generation to manage and control” (p. 252).
MULTIPLE C ONDITION’S	
Donnelley (1964)	“A company is considered a family busmess when it has been closely identified with at least two generations of a family and when this link has had a mutual mfluence on company policy and on the mterest and objectives of the family” (p.94).
Rosenblatt, de Mik, Anderson and Johnson (1989)	“any busmess m which the majority’ ownership or control lies w’lthin a smgle family in w inch two or more family members are or at some time wᵗere dueetly mvolved in the business” (pp. 4-5).

2.2. Family Influence

Family influence appears as a distinct feature distinguishing family firms from others (Sharma et al., 1997). Various studies have reported on the role of family influence on the strategic direction taken by the firm (e.g., Davis and Tagiuri, 1989; Handler, 1989; Shanker and Astrachan, 1996; Sharma et al., 1997; Ibrahim et al., 2004).

Family influence on the decision-making and operations differentiates the family business from other profit organizations (Chrisman et al., 2003; cited in Klein et al., 2005). Family influence stems from a distribution of power (Finkelstein, 1992) subject to trans-generational growth (Gersick et al., 1997) and can be exercised via decision-making through ownership, governance, and management involvement (Klein, 2000; Astrachan et al., 2002).

2.2.1. The F-PEC Scale

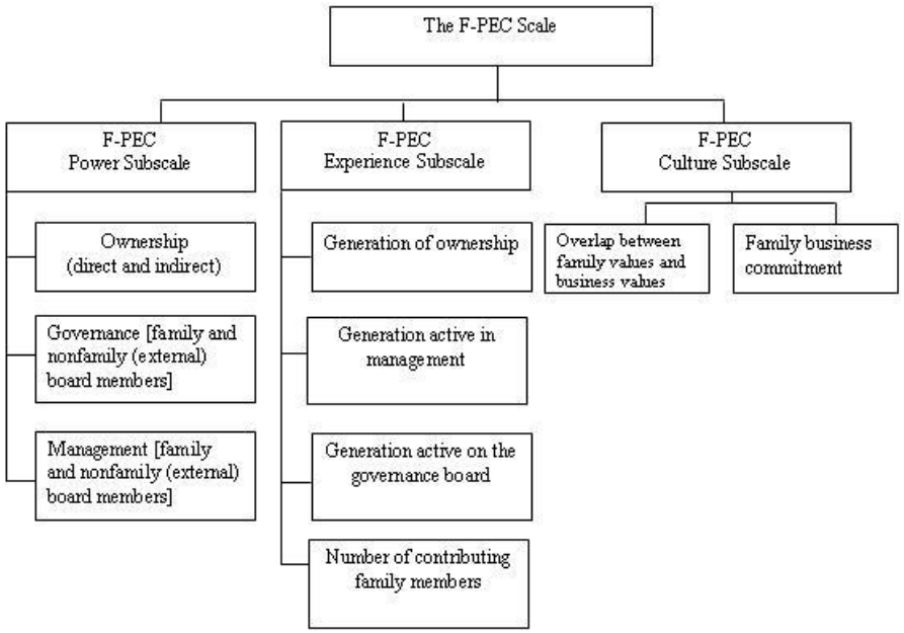
A measurement tool: The F-PEC (Family-Power, Experience, and Culture), "an index of family influence," (Uhlaner, 2005, p. 42) measures the family influences through power, experience, and culture subscales (Astrachan et al., 2002). The subscales are offered to identify levels of a family influence on a continuous scale as well as to differentiate family businesses from others.

An empirical test study of the F-PEC scale was conducted by Klein, Astrachan, and Smyrnios in 2002 using a random sample of 10,000 company CEOs from the German Hoppenstedt databank through the application of exploratory and confirmatory factor analysis techniques. Klein et al. (2005) reported the test result and concluded that "the scale demonstrates high levels of reliability." The F-PEC constructs are offered to identify levels of a family influence on a continuous scale as well as to differentiate family businesses from others. Each dimension holds various components as the source of influence shown in Figure 2.

Constituents of Power, Experience, and Culture subscales were examined by Uhlaner (2005). The Power subscale has three elements: the first is based on family ownership, the second is family governance (for large firms, based on a board of directors), and the third is family

participation in management. The Experience subscale includes the generation involvement in business as owner, manager, board member, and number of contributing family members. The Culture subscale includes the family business commitment and the overlap between family and business values.

Figure 2: The F-PEC Scale (Astrachan et al., 2002)



Power

"*Power is the ability to get things done the way one wants them done; it is the latent ability to influence people*" (Salancik and Pfeffer, 1977; Allen and Porter, 1983; as cited in Shafritz and Ott, 2001, p. 299). The power school views organizations as "*being complex systems of individuals and coalitions, each having its own interests, beliefs, values, preferences, perspectives and perceptions*" (Shafritz and Ott, 2001, p. 298). In an organization, the power is used to solve the conflicting views (Pfeffer, 1997).

All members of the organization wish to have some sort of power in order to control others and decisions made (Mintzberg, 1979). Furthermore, Mintzberg argued that power was a contingency factor to the design of an organizational structure. Thus, Mintzberg (1983; cited in Shafritz and Ott, 2001, p. 353) viewed organizational behavior as a "power game." He argued that the "players" were "influencers" that seek to control the organization's decisions and actions. In addition, Mintzberg (1983; cited in Shafritz and Ott, 2001, p. 356) argued that the owners, who hold the legal title to the organizations, were one of the ten possible influencers that exercise power.

The Power subscale of the F-PEC comprises the ownership, governance, and management participation. Family influence stemming from the distribution of power (Finkelstein, 1992) can be exercised in decision-making through ownership, governance, and management involvement (Klein, 2000; Astrachan at al., 2002).

The power element justifies its importance as being one of the elements of the F-PEC scale. The power subscale measures the proportion of shares held by the family, the percentage of top management team positions held by family members, and the proportion of board seats held by family (Klein et al., 2005).

Experience

The Experience subscale includes the generation in charge and number of family members associated with the business. The F-PEC authors argue that the experience subscale relates to succession and to the number of family members contributing to the business as owners, managers, board members, and employees. Succession adds considerable experience to the family as well as the company.

The F-PEC scale assumes that the influence of the family on the business grows with every generation involved in the business. Klein et al. (2005) argued that "*the level of experience that is gained from a succession process is the greatest during the shift from the first to second generations. Subsequent generations of ownership may contribute proportionately less value to this process*." The family

business experience is accumulated by succession be regarded as an exponential function (Klein et al., 2005).

Culture

The Culture subscale refers to organizational culture and comprises family business commitment and overlap between family and business values. Organizational culture has been defined as "the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integrations" (Schein, 1991, p. 9). The corporate culture of family businesses is influenced by the behavioral characteristics, values, and beliefs of their founders (Kets de Vries, 1996; Harvey and Evans, 1994). Family firms generally are run by family patterns, values and considerations (Kelly et al., 2000).

Paternalistic, laissez-faire, participative and professional patterns of cultures are more common among family firms (Dyer, 1988). The paternalistic pattern is mainly observed among first-generation family firms where the business generally relies on the founder for direction (Dyer, 1988). Paternalist culture coupled with the patriarchal nature of authority tend to have a general mistrust of non-family managers and undermines the development of complex organization which require delegation of authority (Lansberg and Perrow, 1991).

Values were frequently used interchangeably with the concept of culture; firms with strong positive cultures have institutionalized a set of values (Giblin and Amuso, 1997). Family business culture is formed through deep values of key members in an organization and such values can be sensed from internal politics, communication style, and conflict resolution. The family and business values are intertwined in family business culture which derives the level of family commitments to the firm. Value systems are transferred from one generation to the next (Aronoff and Ward, 2003).

The F-PEC measures the degree to which the family influences the value system of the business. Astrachan et al. (2002) derived this scale from a subscale developed by Carlock and Ward (2001), where the core

idea was that the family's commitment to the firm shaped by the values of a family which involves three principal factors: personal belief and goals conform to organizational goals and vision, desire of contributing to the firm, and the willingness to have a close tie with the firm. As a consequence, a family with high commitment is considered to have a substantial influence on the firm.

2.3. Top Management Team (TMT)

Habbershon et al. (2003) try to explain the firm familiness as the '*firm level bundle of resources and capabilities resulting from the system interactions*' (Habbershon et al., 2003, p. 452). Firm familiness is the advantage that firms gather from their controlling families in terms of unique or distinctive resources and capabilities that lead to advantage-based rents (Habbershon et al., 2003).

Recent theoretical developments extend social capital theory to the familiness construct (Arregle et al., 2007), and disover how main resources and capabilities of family firms are created via the interaction between the family and the firm (Pearson et al., 2008; Sharma, 2008). Although familiness is not so easy to capture empirically, differences among family and non-family firms are often discovered by considering family involvement in top managerial positions (Anderson and Reeb, 2003; Villalonga and Amit, 2006). There are two components to this involvement: whether the CEO is or is not a family member, and the degree of participation of family members in the TMT. We examine both facets, adopting the approach of Ensley and Pearson (2005), and take into account the level of familiness in TMTs to be determined by the proportion of family members in the upper echelons of the firm.

The upper echelon perspective explains that organizational outcomes can be known by certain managerial demographics such as age, gender, education, functional background, and tenure in the office (Hambrick and Mason, 1984). Though demographic characteristics cannot exactly capture the processes inside teams and among individuals (Pettigrew, 1992), most research on top executives and strategic leadership concentrates on these attributes because it is so difficult to certainly

measure managerial values and cognitive attitudes (Finkelstein and Hambrick, 1996). Using the upper echelon perspective on familiness in top management teams puts additional light on the financial performance of family-controlled firms.

The upper echelons domain generally consists of two powerful top groups. TMT is the first group, composed of a chief executive officer (CEO) and his/her subordinates who report directly to the CEO, i.e., the Chief Operating Officer (COO) or the Chief Financial Officer (CFO) etc., (Hambrick, 1994). The second group is the Board of Directors (BOD), composed of a CEO and internal and external directors. These upper echelon groups form the "dominant coalition" of the firm (Cyert and March, 1963; cited in Hambrick and Mason, 1984). The Top management team (TMT), composed of senior level executives who report to the CEO, influences the strategic direction of an organization (Hambrick and Mason, 1984; Hambrick, 1994). Smith et al., (1994) stated that the TMT was the most influential group in organizations, controlling their direction and performance outcomes. Vancil (1987; cited in Hambrick, 1994) suggested that the top five executives who were also on the BOD should be considered as TMT. Hambrick (1995) and Finkelstein and Hambrick (1996) included a relatively small group of the most influential executives at the top, generally the CEO and those who report directly to him or her; this group is typically 3 to 10 managers in size. However, who should be included in the TMT has not been mutually agreed upon yet. Another method, which is applicable for the present study, is to ask CEOs to identify who they consider to be members of the TMT (Smith et al., 1994; Hambrick, 1995). This method is a much more reliable and useful method due to the fact that the CEO can identify the team members upon whom he/she relies. Thus, any classification to describe the TMT should correspond to the research questions that guide a particular investigation.

Upper echelon research mostly concentrates on the whole group of top executives as the appropriate level of analysis, and so on implicitly assumes an even distribution of power within the elite echelon of corporate actors (Dalton and Dalton, 2005). There is however, research

supporting the argument that group characteristics are relatively less significant than characteristics of its leader, i.e. the CEO (Cannella and Holcomb, 2005). This applies particularly to family-controlled firms, where a family CEO exerts a strong leadership influence on corporate decisions and outcomes. We so on use a multi-level analysis of familiness as stated above and consider both the family business leadership (i.e. the presence or not of a family CEO) as well as the degree of presence of family members inside the TMTs.

The CEO is generally accepted as the most important and powerful organizational actor. The CEO is the executive who has the overall responsibility for the conduct and performance of the organization (Finkelstein and Hambrick, 1996). Besides leading and directing the classical tasks of planning, organizing, coordinating, commanding, and controlling (Fayol, 1949), the CEO has three important additional tasks. First, every CEO is the charismatic representative of the organization (Fanelli and Misangyi, 2006). Second, every CEO is the leader of the TMT (Wu et al., 2005) and dominates the distribution of responsibilities and tasks within the team itself (Haleblian and Finkelstein, 1993). Third, CEO dominance supplies the family CEO with both means and motive to behave 'altruistically.' Altruism is 'a moral value that motivates individuals to take actions that benefit others without any expectation of external reward' (Schulze et al., 2002, p. 252). Schulze et al. (2001, 2002, 2003), suggest that in this vein the family CEO will make decisions that favour profits and profitability for their family firm and so on benefit their family.

CEO dominance inside the organization, and especially within the TMT, is most likely to be higher for family CEOs than for external appointees. So compared to non-family outside professionals, family CEOs apply in fewer short-sighted acquisitions and downsizing decisions, and undertake more long-term R&D and capital expenditures, and thus develop more distinctive capabilities that produce higher financial results (Miller and Le Breton-Miller, 2006). This approach underlines the positive aspects of kinship relationships, and takes into account altruism as a family firm-specific resource with the potential to

impact on family firm performance (Eddleston et al., 2008). As such, the altruistic behaviour of the family CEO will cause to inexorable profit growth as the CEO supports family profits whenever the trade-off between profits for the family and alternative outcomes is a close marginal call. These arguments are largely supported by recent research that provides consistent support around the idea that family leadership is strongly associated with financial performance (Anderson and Reeb, 2003; Villalonga and Amit, 2006). Evidence from these studies shows that familiness in firm leadership has a positive impact on performance. It is correlated to the strong commitment organizational leaders have to the firm they own. It also explains the classical arguments from agency theory, according to which the family relationships between top managers and owners may reduce agency costs and increase long-term incentives for top managers, primarily for CEOs (McConaughy, 2000).

Lubatkin et al. (2005) present a 'dark side' for the family relationships within the firm. They discuss that family firms are theoretically different from private firms since agency relationships in family firms are highly influenced by family bonds, which in time may adversely affect the ability of the firm's owner-managers to exercise self control (Lubatkinet al., 2005). Family members within the TMTs of family-controlled firms have a potential to empower rather than decrease the agency threats as well as subvert the CEO's altruism to their personal ends. While one would expect family members to be motivated to act in the best interest of the firm, idiosyncratic familial bonds direct concrete incentives to behave opportunistically (moral hazard). Such moral hazards include free riding and shirking. In fact, research has shown that family members seek additional compensation in the form of perquisites or via non-pecuniary rewards, such as withholding of information, misappropriation of firm resources, or simply reducing the efforts in the job (Lubatkin et al., 2005). We now shift attention from the family CEO to the Family Ratio in the TMT, or the ratio of family members to outsiders on the TMT. We adopt an agency cost approach and hypothesize that the increase in family involvement, and thus increasing TMT familiness within the upper echelon, potentially

empowers the misappropriation by family top executives and draws resources from the firm. Further, according to Schulze et al. (2001), if altruism in the family firm is not described and/or if other altruism-related dysfunctional conditions arise, this can become harmful.

2.4. TMT Behavioral Integration

In an attempt to solve top managers fragmentation and strengthen the "team" properties, the concept of "behavioral integration" was introduced by Hambrick (1994). Behavioral integration is defined as "the degree to which the groups engage in mutual and collective action" (Hambrick, 1994, p.171). The author linked behavioral integration to organizational outcomes through interviews and case studies conducted in 1995 (Simsek et al., 2005). In the case of family firms, the most known TMT divide is between family andnon-family members. Family members share common culture, values, and norms inherited from their parents and relatives, along with a common pattern of education, and usually feel satisfied and rewarded with their occupation in the family firm (Chua et al., 2003a). Family members have mostly a stronger emotional attachment to the firm. Emotional attachment directs to the level of commitment and involvement individuals have towards organizations, since they are identified with the organization itself (Sharma and Irving, 2005).This is not true of non-family managers. They share common outside professional experiences as those of family members, but possess a common feeling of exclusion from the controlling family. The group dynamic perspective predicts the emergence of 'schisms', which precipitate behavioural and emotional disagreements and tensions between family and non-family members.

Furthermore, Hambrick observed that many top managers operate as semiautonomous "barons" instead of as a team (Hambrick, 2007). Hambrick (2007) argued that behavioral integration is the level of TMT engagements in mutual and collective interaction. He conceptualized behavioral integration as a meta-construct intended to hold three interrelated elements of TMT process, including a teams (1) degree of collaborative behavior, (2) open and continuous exchange of high-

quality of information, and (3) emphasis on joint decision-making (Simsek et al., 2005).

Behaviorally integrated TMTs exhibit a high degree of teamness that means the group engages in mutual and collective interactions i.e., share information, resources, and decisions. TMTs that have less behavioral integration may cause to failure whereas TMTs that have high behavioral integration may create high-performance organization (Nordqvist, 2005; Carmeli and Schaubroeck, 2006). The prior research findings of interpersonal consensus among TMT members and business performance relations were mixed. Some studies found strong support between interpersonal consensus among TMT members and business performance, others found opposite effect or no effect at all (Homburg et al., 1999).

Information Exchange

The first dimension of top management team behavioral integration refers to the quantity and quality (richness, timeliness, accuracy) of information that is being exchanged among the team members. The key is to assess whether enough information is shared so that members are able to integrate their work components with the rest of the team's work. Quality in this context refers to dimensions of the richness, timeliness, and accuracy of the information (Siegel and Hambrick, 1996).

Typically, in teams with effective information exchange, members can draw on one another's expertise to apply it when and where it is needed. Team members can get the information formally and informally from each other. It is known that teams that engage in more frequent and less formal communication tend to be more effective (Smith et al., 1994). The key to a good team is that it uses all information and expertise of its respective members.

Collaborative Behavior

The possession of collaborative behavior is the main characteristic of the behaviorally integrated top management team members (Siegel and Hambrick, 1996) who cooperate with one another to achieve

organizational goals. Healthy discussions and constructive conflict characterize top management teams interaction. Researchers who study teams distinguish between task conflict and relationship conflict. Task conflict refers to disagreement about a task being performed that may have constructive outcomes due to new and better ideas; in contrast, relationship conflict refers to interpersonal disharmony that is accompanied by tension, annoyance, and frustration (Jehn, 1997) and result in undesirable outcomes. Behaviorally integrated top management teams avoid relationship conflict and engage in a moderate amount of task conflict that needs experienced team members who are skilled and known each other for quite a long time and develop some sort of knowledge about each other (Siegel and Hambrick, 1996).

Joint Decision Making

The degree of information exchange, collaborative behavior, and decision-making reinforces each other. Team members have great opportunity and freedom to provide input into their decisions.

Joint decision-making means that team members solicit, listen to, and fully consider each other's views (Siegel and Hambrick, 1996); influence is generated by the consensus of people's expertise about the current decision; the opinions of those in the minority receive a fair hearing and have appropriate influence (Nemeth and Kwan, 1987); top management teams expertise is fully utilized to implement decision-making procedures.

The quality of top management teams' decisions influence organizational performance. High quality decisions and their implementation require consensus among top management team members of a firm. Thus, the effective implementation of a joint decision-making requires the active cooperation among the top management team members (Amason, 1996).

Accordingly, the following hypothesis has been developed.

Hypothesis 1: There is a significant positive impact of Power-based Family Influence on

a. Information Exchange,

b. Collaborative Behavior,

c. Joint Decision Making

in top management team.

Hypothesis 2: There is a significant negative impact of the number of generations active in the business on

a. Information Exchange,

b. Collaborative Behavior,

c. Joint Decision Making

in top management team.

Hypothesis 3: There is a significant positive impact of attitude and value-based Family Influence on

a. Information Exchange,

b. Collaborative Behavior,

c. Joint Decision Making

in top management team.

2.5 TMT Succession Planning

TMT in family firms may consist of family and non-family executives depending on composition of the top management. TMT succession planning affects family executives as well as non-family executives. Two types of succession appear in family business literature: Ownership succession and executive succession. Ownership succession is simply defined as the transition of family business leadership and ownership from one generation to the next, which is aimed at ensuring the continuity of the business through the generations (Aranoff et al., 2003). Due to a poor succession planning in family businesses, the transition from one generation to another is a difficult process that often causes failure (Handler and Kram, 1988).

Table 2: Alternative Definitions of Succesion Planning

Gomez-Mejia, Balkın and Cardy (2001)	"is essential to have key positions of an organization always filled with right candidates without discontinuity"
Dessler (2003)	' the process of ensuring a suitable supply of successors for current and future senior or key jobs"
Sanibrook (2005)	"an attempt to plan for the light number and quality of managers and key-skilled employees to cover retirements, death, serious illness or promotion, and any new positions which may be created m future organization plans"
Rothwell (2005, p.14)	"a vehicle for anticipating talent needs stemming from corporate strategy and can be viewed as a way to scan external environmental conditions and to match the organization's internal talent to the demands created by those conditions"

Succession planning in family firms is generally ignored not only by founders, but also by family and other stakeholders due to a feeling of ambivalence toward succession (Lansberg, 1988). Lansberg (1999) summarizes the major pitfalls that prevent succession planning in family firms:

1. Egomania and reluctance to delegate of founding entrepreneurs,
2. Old rivalries,
3. Political infighting that may divide branches of extended family,
4. Family "toys and hobbies" that deplete companies of the cash needed to stay afloat,
5. Unconscious resistance of aging leaders against stepping aside.

Accordingly, the following hypotheses are developed.

Hypothesis 4: There is a significant positive impact of Power-based Family Influence on

a. Strategic Goals,
b. Corporate Values,
c. Leadership & Competency Development

in top management team Succession Planning.

Hypothesis 5: There is a significant positive impact of the number of generations active in the business on

a. Strategic Goals,
b. Corporate Values,

c. Leadership & Competency Development
in top management team Succession Planning.

Hypothesis 6: There is a significant positive impact of attitude and value-based Family Influence on

a. Strategic Goals,
b. Corporate Values,
c. Leadership & Competency Development
in top management team Succession Planning.

Hypothesis 7: There is a significant positive impact of Information Sharing-based top management team Behavioral Integration on

a. Strategic Goals,
b. Corporate Values,
c. Leadership & Competency Development
in top management team Succession Planning.

Hypothesis 8: There is a significant positive relationship between Collaborative Behavior-based top management team Behavioral Integration on

a. Strategic Goals,
b. Corporate Values,
c. Leadership & Competency Development
in top management team Succession Planning.

Hypothesis 9: There is a significant positive relationship between Joint Decision Making-based top management team behavioral integration on

a. Strategic Goals,
b. Corporate Values,
c. Leadership & Competency Development
in top management team Succession Planning

2.6 Top Management Team Professionalization

Family businesses are often run by business owners or family members. In many cases, management responsibility is partly or even fully transferred to non-family executives. A non-family manager/ executive is defined as "*a person who is neither a blood relative nor*

related to the owning family by marriage or adoption" (Schultzendorff, 1984; cited in Klein and Bell, 2007, p. 20). The professionalization of a family business management is defined as "*succession of management from family members to non-family professional managers*" (Chittoor and Das 2007, p. 67).

Transition to professional management for family firms is an ongoing debate among scholars and practitioners. The success of a growing family firm relies on sensitive relationship with the key non-family executives (Aronoff and Ward, 1995). As the family business grows transition to professional management should occur (Chua et al., 2003).

Accordingly, the following hypotheses are developed.

Hypothesis 10: There is a significant positive impact of power-based family influence on top management team professionalization.

Hypothesis 11: There is a significant positive impact of the number of generations active in the business on top management team professionalization.

Hypothesis 12: There is a significant positive impact of attitude and value-based Family Influence on top management team Professionalization.

Hypothesis 13: There is a significant positive impact of Information Sharing-based top management team Behavioral Integration on top management team Professionalization.

Hypothesis 14: There is a significant positive impact of Collaborative Behavior-based top management team Behavioral Integration on top management team Professionalization.

Hypothesis 15: There is a significant positive impact of Joint Decision Making-based top management team Behavioral Integration on top management team Professionalization.

Hypothesis 16: There is a significant positive impact of Strategic Goals-based top management team Succession Planning on top management team Professionalization.

Hypothesis 17: There is a significant positive impact of Corporate

Values-based top management team Succession Planning on top management team Professionalization.

Hypothesis 18: There is a positive impact of Leadership & Competency Development-based top management team Succession Planning on top management team Professionalization.

2.7 Firm Performance

Although firm performance is central to the study of business strategy or policies, it is a difficult concept, both in terms of definition and measurement. Researchers consider organizational performance as an important parameter when investigating organizational structure, strategy, and planning (Dess and Robinson, 1984). Performance, "*refers to efficiencies in terms of utilization of resources as well as the accomplishment of organizational goals*" (Steers, 1982; cited in Dyer, 2006, p. 259).

Three major approaches are used to measure organizational performance in the literature: the goal approach (Etzioni, 1964; cited in Dess and Robinson, 1984), the system resource approach (Yuchtman and Seashore, 1967; cited in Dess and Robinson, 1984), and the constituency approach (Thompson, 1967; cited in Dess and Robinson, 1984).

The goal approach measures the performance by the explicit goals such as profit and sales growth. The system resource approach measures the performance in terms of the key internal and external factors upon which the firm depends for survival. The constituency approach measures the performance as the degree of fulfillment of constituent needs (Dess and Robinson, 1984). The success of a firm is contingent upon multiple determinants. Type of an industry, competitive intensity, technological shift, degree of flexibility, changing customer demands in domestic and in international markets make the evaluation of firm performance more complicated (Hitt et al., 1998).

However, in the literature, researchers disagree on what creates effective performance of a firm and how to measure performance. Firm performance is a multidimensional construct which can be measured

by many different tools. Ruekert et al. (1985; cited in Homburg et al., 1999) conceptualized performance in three dimensions as effectiveness, efficiency and adaptiveness.

Effectiveness considers the degree to which the goals are reached. Efficiency focuses on the relationship between outputs and the inputs required to reach those outputs. Adaptiveness reflects the ability of the organization to adapt to environmental changes. Efficiency is associated with profitability; effectiveness is associated with achieving nonfinancial goals, and adaptiveness is associated with adaptation to changes (Homburg et al., 1999).

Hart (1992; cited in Tegarden et al., 2003) classified the dimensions of a firm performance as financial, operational, and organizational. Financial performance includes return on investment, return on sales, return on equity, earnings per share, and sales growth. Operational performance includes new product development and marketing effectiveness. Organizational performance reflects broad organizational outcomes and capabilities such as employee satisfaction and organizational focus on quality or adaptability (Tegarden et al., 2003).

Accordingly, the following hypotheses are developed:

Hypothesis 19: There is a significant positive impact of Power-based Family Influence on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance in the family firm.

Hypothesis 20: There is a significant positive impact of the number of generations active in the business on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance in the family firm.

Hypothesis 21: There is a significant positive impact of attitude

and value-based Family Influence on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance in the family firm.

Hypothesis 22: There is a significant positive impact of Information Sharing-based top management team Behavioral Integration on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial performance in the family firm.

Hypothesis 23: There is a significant positive impact of Collaborative Behavior-based top management team Behavioral Integration on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance in the family firm.

Hypothesis 23: There is a significant positive impact of Joint Decision Making-based top management team Behavioral Integration on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance in the family firm.

Hypothesis 24: There is a significant positive impact of Strategic Goals-based top management team Succession Planning on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial
performance of the firm.

Hypothesis 25: There is a significant positive impact of Corporate Values-based top management team Succession Planning on

a. Market,
b. Production,
c. New Product Development & Engineering,
d. Financial
performance of the firm.

Hypothesis 26: There is a positive impact of Leadership & Competency Development-based top management team Succession Planning on

a. Market,
b. Production,
c. New Product Development & Engineering,
d. Financial performance of the firm.

Hypothesis 27: There is a significant positive impact of top management team Professionalization on

a. Market,
b. Production,
c. New Product Development & Engineering,
d. Financial performance in the family firm.

2.8 Market Dynamism

Dynamism can be explained as the combination of instability and uncertainty (Tagerden et al., 2003). Dynamism refers to the rate of change, absence of pattern and unpredictability of the environment (Dess and Beard, 1984; cited in Priem et al., 1995). Gunasekaran (1999) stated that in the 21st century, companies would have to overcome the challenges of demanding customers looking for high quality, cheap products, responsive to their rapidly changing needs. Firms must respond very quickly to changes in the market in order to be competitive (Sharma et al., 2004). Extant literature explores environmental influences on organizational strategies, structures, processes, and outcomes (Gilley

et al., 2004).

Technological advances in information transfer and telecommunications constitute one of the main sources of uncertainty in existing environments (Prastacos et al., 2002). New technological developments create an environment where information and communication flows take place almost immediately. The speed of information flow leads to short product life cycles, patents to protect new technology invalidate quickly, new products develop faster and adapt more quickly for each customer (Hitt et al., 1998).

Another important source of dynamism in present environments is market globalization. Globalization does not only affect multinational firms, but also local companies. However, global market conditions generate more opportunities, threats and challenges for organizations. According to D'Souza and Williams (2000), the pressure of global competition will continue to increase in the twenty-first century. Organizations have to learn to coordinate activities across national borders, to assume that customers preferences and demands differ between countries, to understand that it is more difficult to identify and analyze competitors and that the evaluation of organizational performance is more complicated (Hitt et al., 1998).

Dynamism is also the result of actions carried out by certain existing firms in competitive environments. Degree of uncertainty and the degree of munificence/hostility reflect the environmental characteristics (Elbanna and Child, 2007). Frequent discontinuities in the market conditions affect firms competitiveness negatively (Hitt et al., 1998). Volatile market conditions are partly contingent to change in customer demand (Simon et al., 2002).

Dynamism is the result of multiple events (Milliken, 1990; Jaworski and Kohli, 1993; Sutcliffe and Zaheer, 1998). First, it is a consequence of a set of primary uncertainties, referring to exogenous variables, such as changing customer preferences or the appearance of new technologies. Furthermore, the level of dynamism is determined by the existence of competitive uncertainties. Organizations need to pay attention not only to strategies implemented by existing competitors that can rapidly

provide substitutes or technologically advanced products, but also to the actions of new participants in the market, relationships with subcontractors, suppliers and distributors, etc.

Accordingly, the following hypotheses are developed.

Hypothesis 28: There is a significant positive impact of Market Dynamism on

a. Power,

b. Number of generations active in the business,

c. Attitude and value

of Family Influence.

Hypothesis 29: There is a significant positive impact of Market Dynamism on

a. Information Exchange,

b. Collaborative Behavior,

c. Joint Decision Making

of top management team Behavioral Integration.

Hypothesis 30: There is a significant positive impact of Market Dynamism Joint Decision on

a. Strategic Goals,

b. Corporate Values,

c. Leadership & Competency Development

in top management team Succession Planning.

Hypothesis 31: There is a significant positive impact of Market Dynamism on

a. Market,

b. Production,

c. New Product Development & Engineering,

d. Financial

performance of the firm.

According to the conceptual definitions, aforementioned studies of research variables and hypotheses, the proposed conceptual model of the research is given in Figure 1.

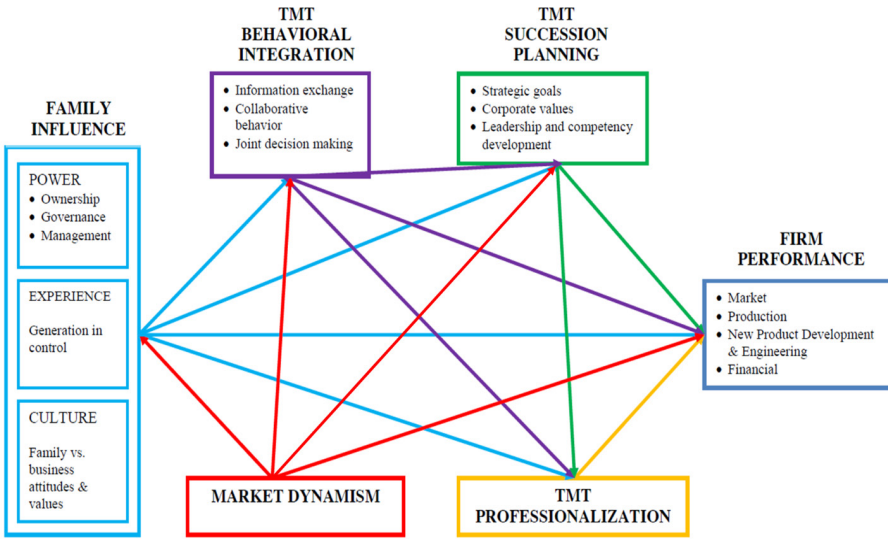


Figure 1: *Proposed conceptual model*

3. Methodology

3.1Automotive Parts Industry in Turkey

Automotive industry has functioned as a locomotive industry in the economy because many sectors are related to it. Any fluctuation in automotive industry is automatically reflected to other industries such as steel, sheet iron, rubber, plastics, chemistry, glass and electrics & electronic parts. Compared to other industries, automotive industry sets an example with its quality standards and plays an important role in the development of countries as it compels other industries with which it has relations (Özşahin, M., 2009).

Automotive industry has managed to be one of the leading industries in Turkish economy with the progress trend that it has shown since the 1960s. This progress shown on Figure 2 has been affected by various periodical developments and, step by step, has reached its current position.

As of 2015, a total of 13 firms in Turkey manufacture various kinds of vehicles such as passenger cars, buses of various size, lorries and

pickups. The total annual capacity of these firms is approximately 1.7 million units (OSD, 2015).Nearly one thousand companies can be counted in Turkish automotive supplier industry.

The automotive supplier industry in Turkey is the target research field for this study since the majority of the firms are family owned and operated (TAYSAD, 2007). The target companies in this research are chosen among TAYSAD (Association of Automotive Parts & Components Manufacturers) members.

During the late 1980s and the initial years of the 21st century, automotive supplier firms in Turkey experienced an accelerated pace of change. Currently, they operate in hyper-competitive environments having unprecedented and unpredictable events. With globalization, firms have to face significant uncertainty, ambiguity and increasing strategic discontinuity. The peak price reached in raw materials, the pressure from regulators and public opinion on environmental preoccupations and the emergence of new players are examples of issues that the automotive landscape faces in reorganization (Global Automotive Financial Review, 2007). Unfortunately, empirical study of them has not investigated the effect of market dynamism on firm performance in the automotive supplier industry in Turkey.

Approximately 450 – 500 of these companies directly manufacture for key automotive industry manufacturers. In 2015, the total number of members of TAYSAD, established in 1978 by 13 entrepreneurs, has reached 343 firms. Nearly 250 thousand people are employed in Turkish Automotive Supplier Industry. The number of those employed in TAYSAD member companies is above 140 thousand. TAYSAD members record a turnover of $22 billion and they also carry out a $8-billion export. The share of the supplier industry in total export of the industry is at the level of 43 percent (TAYSAD, 2015).

Product range, which incorporates all parts, except some finished products, of automotive supplier industry companies across Turkey, especially TAYSAD members, offers a wide variety that allows local manufacture at the rate of 85-90% of vehicles that are domestically manufactured (TAYSAD, 2015).

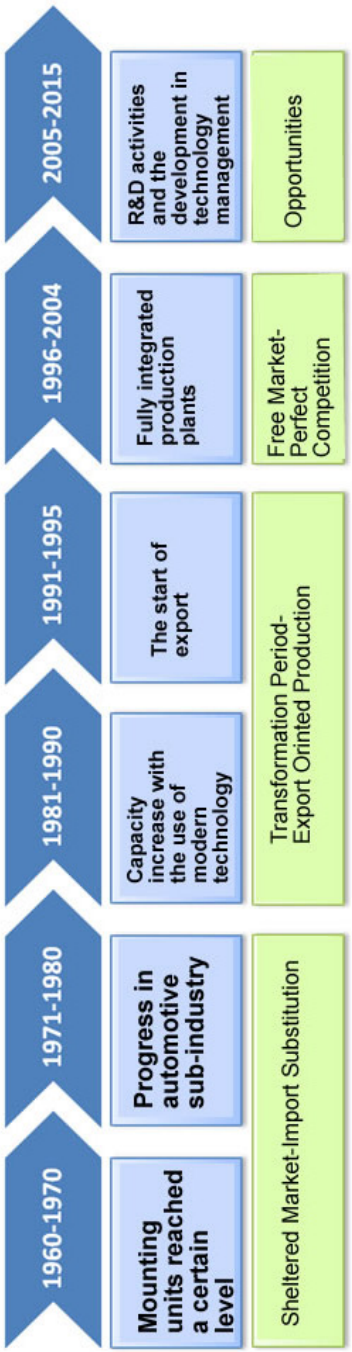


Figure 2: *Stages of progress in automotive industry*

3.2 Data Collection

In this study, there were 557 data sets collected from 172 surveyed family firms belonging to the automotive parts supplier manufacturing industry. 32 questionnaires from 8 firms had missing data, so they were ignored. Target groups under the survey design were active family members and family and non-family top management team members. After face-to-face interviews, 280 questionnaires were received from active family members and 245 questionnaires were received from non-family top management team members, for a total of 525 questionnaires from 164 firms.

The hypotheses were tested using surveyed data collected from 280 family executives and 245 non-family executives in 164 automotive supplier family firms located in 9 cities in Turkey. The Structural Equation Model (SEM) technique was used to test the empirical model. Confirmatory factor analyses and structural path analyses were conducted to test the relationships between construct variables through AMOS 7.0. Basic and complex descriptive statistics, t-test and ANOVA analyses, were employed through SPSS 16.0 to analyze the data.

This research makes contributions both to theory and practice. First of all, it aims to increase the level of knowledge in the family business research field because it draws from three research fields: family business continuity, upper echelon theory, and succession planning. Secondly, it hopes to provide a framework within which owners can determine in which areas improvement is needed in their firms in terms of top management team behavioral integration, succession planning and professionalization.

3.3 Instrument Development

One academician, Assistant Director of University Research Center and four company executives (CEO, Marketing Director, HR Director, and Vice President) reviewed the questionnaire intensively; their comments were incorporated into the final questionnaire design.

3.4 Measures

Family Influence, Top Management Team Behavioral Integration, Top Management Team Professionalization, Top Management Team Succession Planning, Firm Performance, and Market Dynamism are key variables included in this study.

A multiple-item method was used to construct the questionnaires except for power and experience. Each item was based on a six-point Likert scale. The six- point Likert scale was used in this study to avoid a mid-point, which prevents respondents from using a neutral default options. A self-reported item was used to obtain respondents' comments on the professionalization of their firm. The questionnaires were written in Turkish. Research constructs were operationalized on the basis of related studies and pilot tests. Interested readers may contact the authors for a copy of the questionnaire.

4. Results

4.1. Overall Fit of the Measurement Model

An absolute-fit index directly assesses how well and *a priori* model reproduces the sample data (Rick, 1995). The fit index consists of several statistics, including chi-square, the non-centrality parameter (NCP), the goodness-of-fit index (GFI), the standardized root mean square residual (RMSR), and the root mean square error of approximation (RMSEA).

The overall fit of the measurement model in this study was assessed by three types of measures: absolute goodness-of-fit measures, incremental fit measures, and parsimonious fit measures. The results of these measures are presented in Table 2.

Table 3: Goodness-of-fit Measures for the Measurement Model

Measures	Goodness-of-fit Statistics		
	Overall	Family	Professional
Absolute fit measures			
Chi-square	X'(1.753: 525)=5.125;p = 00	X'Cl-753: 2S0)=3.919: />=.00	X^2(1.754; 245>=3.797: p=.00
NCP	3372	2166	2044
GFI	.756	.691	.676
RMR	.200	.169	.247
RMSEA	.061	.067	.069
Incremental fit measures			
AGFI	.737	.666	.651
NFI	.751	.669	.657
Parsimonious ft measures			
PNFI	.720	.641	.629
PGFI	.701	.640	.627
CFI	.820	.783	.779
IFI	.821	.785	.780
RFI	.740	.654	.642

Note. NCP = non-centrality parameter; GF1 = goodness-of-fit Index; RMSR = root mean residual; RSMEA = root mean square error of approximation; AGF1 = adjusted goodness of-fit index; NNFI = non-normed fit index; NFI = normed fit index; PNFI = parsimonious nonnedfit index; PGFI - parsimonious goodness-of- fit index; CFI = comparative fit index; IFI = incremental fit index; and RFI — relative fit index

One type of measure of absolute goodness of fit is the likelihood ratio chi-square statistics. For the overall model in this study, the chi-square ($\chi 2$) value is 5.125 with 1.753 degrees of freedom and a probability of less than .0001 ($p < .0001$), which suggests that the fit of the data to the hypothesized model is not entirely adequate. This statistic, nevertheless, indicates support for believing that the differences between the predicted and actual matrices are not significant, indicative of an acceptable fit. One of the first fit statistics to address the problem was the $\chi 2$/degrees of freedom ratio (Wheaton, Muthén, Alwin, and Summers, 1977). $\chi 2$/ degrees of freedom ratio less than 3 suggests a well-fitted model. For

the overall model in this study, the $\chi 2$ /degree of freedom ratio is 2.923, indicating the model is well fitted.

Another measure of absolute goodness of fit is the root mean square residual (RMR), which represents the average residual value derived from fitting the variance-covariance matrix for a hypothesized model, $\Sigma(\theta)$, to the variance-covariance matrix of the sample data. The standardized RMR represents the average value across all standardized residuals, and ranges from 0 to 1.00; in a well-fitting model this value will be small, say, .05 or less. In this study, the RMR value of the overall model is .02, which is acceptable.

Another absolute fit statistic is the root mean square error of approximation (RMSEA) which has been recognized as one of the most informative criteria in covariance structure modeling. The RMSEA takes into account the error of approximation in the population and asks the question, "How well would the model, with unknown but optimally chosen parameter values, fit the population covariance matrix if it were available?" (Browne and Cudeck, 1993, pp. 137-138). Any discrepancy, as measured by the RMSEA, is expressed per degree of freedom, thus making the index sensitive to the number of estimated parameters in the model. Values less than .05 indicate good fit and values as high as .08 represent reasonable errors of approximation in the population (Browne and Cudeck). MacCallum, Browne, and Sugawara (1996) elaborated on these cut points and noted that RMSEA values ranging from .08 to .10 indicate mediocre fit and those greater than .10 indicate poor fit. In this study RMSEA value of the overall model is .061 which fits into the acceptable boundaries.

The goodness-of-fit index (GFI) measures the relative amounts of variance and covariance in sample data that are jointly explained by a hypothesized model (Mulaik, James, Van Alstine, Bennett, Lind, and Stilwell, 1989). The AGFI differs from the GFI only in that it adjusts for the degrees of freedom in the specified model. The GFI and AGFI can be classified as absolute indexes of fit (Hu and Bentler, 1995). Both indexes range from 0 to 1.00, with values close to 1.00 indicating good fit. In this study, the GFI and AGFI values for the overall model are .756 and .737, respectively.

In addition, Bentler and Bonett's (1980) normed fit index (NFI) has become the practical measure of choice for incremental fit, as evidenced by the current "classic" status of their original paper (Bentler, 1992); however, because the NFI tends to underestimate model fit in cases of small samples, Bentler (1990) revised the NFI to take sample size into account and proposed the parsimonious comparative fit index (CFI). The values of both the NFI and CFI range from 0 to 1.00. A value greater than .90 for either was originally considered to represent a well-fitting model (Bentler, 1992), but a revised cutoff value close to .95 has been recommended (Hu and Bentler, 1999). The values of NFI (.751) and CFI (.820) for the model in this study are each close to the recommended level of .95, thus indicating acceptable fit.

Another index of fit is the parsimonious goodness-of-fit index (PGFI), which James, Mulaik, and Brett (1982) introduced to take into account the complexity of a hypothesized SEM in assessing its overall fit to the sample data. Mulaik, James, Van Altine, Bennett, Lind, and Stulwell (1989) noted that PGFI values in the .50 range are not unexpected. The relative fit index (RFI) represents a derivate of the NFI; as with both the NFI and CFI, the RFI coefficient values range from 0 to 1.00, with values close to .95 indicating superior fit (Hu and Bentler, 1999).

The incremental index of fit (IFI) was developed by Bollen (1989) to address the issues of parsimony and sample size, which were known to be related to the NFI. As such, its computation is basically the same as the NFI, except that degrees of freedom are taken into account. Thus, it is not surprising that the IFI value of .821 for the model in this study is consistent with the CFI value of .820 in reflecting a well-fitting model.

The parsimonious normed fit index (PNFI) is a modification of Bentler-Bonett's normed fit index that takes parsimony of the model into account. The PNFI uses the same parsimonious factor as the parsimonious GFI. Thus, the PNFI value of .720, the IFI value of .821, and the RFI value of .740 for the model in this study are indicating good fit. In summary, the values of the goodness-of fit measures found for the model in this study indicate no reason to reject this model.

The results for the fit measures led to the conclusion that the overall

model moderately fit and represented a reasonably close approximation of the sample data. The results for the family and professional fit measures coincide with overall model.

4.2. Hypotheses Test Results

It was hypothesized that family influence would positively affect each component of TMT Behavioral Integration (i.e., Information Sharing, Collaborative Behavior, and Joint Decision-making). The hypothesized positive effect of family influence on the components of TMT Behavioral Integration is based on the work by many researchers. None of these researches, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a positive relationship between Involvement & Commitment-based Family Influence, Values & Loyalty-based Family Influence and each component of TMT Behavioral Integration in all models at 99.9 % confidence level.

Moreover, we explore that the other manifestation of familiness, namely the proportion of family members in the TMT (the Family Ratio), directs to factional divides between family and non-family factions, which disrupt decision-making. Our findings say this out – the relation between family ratio and firm performance is consistently curvilinear – and firm performance is best with the presence of only one (of either) faction and reduce as representation of both factions increases. These findings provide claim for the novel application of the faultlines concept. Our argument is that TMTs in family-controlled companies likely represent the ideal setting where natural faultlines exist among factions of family and non-family top executives. Both familiness and agency theory arguments may be helpful to provide an insight for our results. From one side, entirely 'familial' TMTs (Ensley and Pearson, 2005) are likely to supply better results since they likely engage in a process of social capital building that is unique to the family firms (Pearson et al., 2008). This social capital resource dimension of familiness stresses the significance of family 'bonds' and family 'bridges' between the family and the business in creating unique resources and wealth (Sharma, 2008).

On the other hand, when the upper echelons are stacked with external managers, predictions from agency theory apply. More specifically, non-family managers with enough power and delegated authority are able to act in their best interest, and are likely to align to the principal owners' interests (Jensen and Meckling, 1976). This alignment, we argue, is particularly likely to be in the presence of family control.

It was hypothesized that family influence would positively affect TMT Professionalization. The hypothesized positive effect of family influence on the TMT Professionalization is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a lack of relationship between Values & Loyalty-based Family Influence and TMT Professionalization in all models. Nevertheless there are positive relationships between Involvement & Commitment-based Family Influence and TMT Professionalization at 99.9 % confidence level in *overall* and *family* models.

It was hypothesized that family influence would positively affect each component of TMT Succession Planning (i.e., Strategic Goals, Corporate Values, Core Competencies, and Leadership Development). The hypothesized positive effect of family influence on the components of TMT Succession Planning is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. The general results indicate a lack of relationship between Involvement & Commitment-based Family Influence, Values & Loyalty-based Family Influence and each component of TMT Succession Planning. Nonetheless, there is only a positive relationship between Values & Loyalty-based Family Influence and TMT Succession Planning components: Corporate Values and Core Competencies in *family* model at the 99.9% significance level.

It was hypothesized that family influence would positively affect each component of Perceived Firm Performance (i.e., Market Performance, Production Performance, New Product Development & Engineering Service Performance, and Financial Performance). The hypothesized

positive effect of family influence on the components of Perceived Firm Performance is based on the work by many researchers. None of these researches, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a positive relationship between Involvement & Commitment-based Family Influence, Values & Loyalty-based Family Influence and each component of Perceived Firm Performance in all models at the 99.9 % confidence level, except Values and Loyalty à Perceived Firm Performance in *family* model.

In other words, within relation to this, we discuss for a distinction between familiness in the leadership of the firm, and familiness among the group of top executives at large. Our findings support the idea that the presence of a family CEO positively contributes to firm performance, and the familiness concept can represent a theoretical explanation for that (e.g. Chrisman et al., 2004; Habbershon et al., 2003). This result is appropriate with other studies in the field, and reinforces evidence on the beneficial impact of family leadership in family-controlled firms (Anderson and Reeb, 2003; Villalonga and Amit, 2006), emphasizing the 'bright side' of family involvement in business.

It was hypothesized that components of TMT Behavioral Integration would positively affect each component of TMT Succession Planning (i.e., Strategic Goals, Corporate Values, Core Competencies, and Leadership Development). The hypothesized positive effect of TMT Behavioral Integration on the components of TMT Succession Planning is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a lack of relationship between Joint Decision Making-based TMT Behavioral Integration and each component of TMT Succession Planning.

It was hypothesized that each component of TMT Behavioral Integration (i.e., Information Sharing, Collaborative Behavior, and Joint Decision Making) would positively affect TMT Professionalization. The hypothesized positive effect of each component of TMT Behavioral Integration on TMT Professionalization is based on the work by

many researchers. None of these researches, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a lacking relationship between each component of TMT Behavioral Integration and TMT Professionalization in all models.

It was hypothesized that each component of TMT Behavioral Integration (i.e., Information Sharing, Collaborative Behavior, and Joint Decision Making) would positively affect Perceived Firm Performance. The hypothesized positive effect of each component of TMT Behavioral Integration on Perceived Firm Performance is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a lacking relationship between each component of TMT Behavioral Integration and Perceived Firm Performance in all models.

It was hypothesized that TMT Professionalization would positively affect Perceived Firm Performance (i.e., Market Performance, Production Performance, New Product Development & Engineering Service Performance, Financial Performance). The hypothesized positive effect of TMT Professionalization on Firm Performance is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. The results indicate a lacking relationship between TMT Professionalization and Perceived Firm Performance.

It was hypothesized that each component of TMT Succession Planning would positively affect Perceived Firm Performance (i.e., Market Performance, Production Performance, New Product Development & Engineering Service Peformance, and Financial Performance). The hypothesized positive effect of TMT Succession Planning on Firm Performance is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. TMT Succession Planning is measured through Strategic Goals, Corporate Values, Core Competencies, and Leadership Development. The

results indicate a lacking relationship between Strategic Goals, Core Competencies, and Leadership Development-based TMT Succession Planning and Perceived Firm Performance.

It was hypothesized that each component of TMT Succession Planning would positively affect TMT Professionalization. The hypothesized positive effect of TMT Succession Planning on TMT Professionalization is based on the work by many researchers. None of this research, however, had examined these relationships in the context of respondent groups of family members and professionals. TMT Succession Planning is measured through Strategic Goals, Corporate Values, Core Competencies, and Leadership Development. The results indicate a lacking relationship between Strategic Goals, Core Competencies, and Leadership Development-based TMT Succession Planning and Perceived Firm Performance.

It was hypothesized that Market Dynamism would positively affect each component of Family Influence (i.e., Power, Experience, and Culture). The hypothesized positive effect of Market Dynamism on the components of Family Influence is based on the work by many researchers.

It was hypothesized that Market Dynamism would positively affect each component of TMT Behavioral Integration (i.e., Information exchange, Collaborative Behavior, and Joint decision Making). The hypothesized positive effect of Market Dynamism on the components of TMT Behavioral Integration is based on the work by many researchers.

It was hypothesized that Market Dynamism would positively affect each component of Firm performance (i.e., Market, Production, New product development & Engineering service, and Financial). The hypothesized positive effect of Market Dynamism on the components of Firm Performance is based on the work by many researchers.

5. Discussion

The relationships among family influence, top management team behavioral integration, top management team succession planning, top management team professionalization, market dynamism, and firm performance were measured.

5.1. Family Power

As proposed by Astrachan et al. (2002), three items explain the power of the family in the family business: 1) ownership, 2) governance, and 3) management. The lack of support for identifying hypothesized relationships for power subscale comes from a lack of significant statistical findings. Even though Substantial Family Influence (SFI) value, proposed by Klein (2000), was computed as 2.33, it was dismissed from Structural Equation Model. Furthermore it can be concluded that families in the surveyed firms have strong ownership, management and/or governance power.

The finding shows that 94.7% of the respondents in the study work in 100% family-owned businesses. 30% of the companies are owned and managed by first generations. In 60% of the family firms, the first and second generations own the company. In 57% of the family firms, the first and second generations active on the governance board of the company. In 49.9% of the family firms; the first and second generations manage their companies. Findings indicate that first and second generations still hold the majority of the stocks in family firms. However, it can be concluded that concentrated ownership in automotive supplier industry in Turkey is high; as a result, acceptance for external ownership is still low.

Another interesting finding is the general perception of the respondents about the role of governance and management board. It was reported during the interviews that founder owners were very active on management boards; they were generally involved in decision- making processes. The respondent 'perception about the founder's involvement in family businesses was consistent to the previous studies in the literature. Kelly et al. (2000) defined the founder's involvement as the nature of their role in the family firms' strategy and decision-making processes. They suggested that such an involvement reflected founders' centrality in family firms. They further argued that high founder centrality existed when members of top executives always seek advice or approval from the founder before making decisions.

5.2. Family Experience

The Experience subscale, as offered by Astrachan et al. (2002), presents special concerns identified in the reliability analysis. Three items in the Experience subscale focused on which generation of the family owns, governs and manages the family business. The responses to these three items are nominal, i.e., 1 = first generation (founder), 2 = second generation, 3 = third generation, 4 = first + second generations, 5 = second + third generations, 6 = first + second + third generations. The fourth item in the Experience subscale focused on how many family members participated in the family businesses as employees. The responses to this one item are continuous, i.e., from zero to the total number of employees in the business.

According to the responses, approximately 30% of the companies are owned, managed and active by first generation (founders). Furthermore, approximately 55% of the companies are owned, managed and active by first and second generations. According to Astrachan et al. (2002), family businesses gain experience through ownership succession. It is evident that family firms have not experienced with ownership succession or very rarely. Therefore, it can be concluded that family businesses are very young with low level of experience.

The average age of the family business found in this study was 22.9 years with maximum age of 56 years. The lack of support for identifying hypothesized relationships for experience subscale comes from a lack of significant statistical findings in Structural Equation Model. The results indicate that, as more generations own and manage the family firm and more family members contribute as employees in the firm, top management team Behavioral Integration, top management team Succession Planning, top management team Professionalization, and Firm Performance do not increase.

There exist poor correlations of Experience scale with other research variables. Experience has low significant correlation with Firm Performance measures: market and New Product Development & Engineering. This is an expected outcome based on previous studies. Thus, family ownership and management participation seemed to have no relation to the performance of the firm.

5.3. Family Culture

The corporate culture influences the individuals through shared values and norms which guide activities (Drejer, 2000). Astrachan et al. (2002) argued that the family business culture involved two elements: the commitment of the family to the business, and the overlap of family and business values.

The overlap between family and business values, as well as high commitment and effective communication by the family to the firm lead to more efficient information sharing, collaboration, and joint decision-making by the top management group. Norms, values, vision, and goals are influenced by the owners through their position to the top management group network (Kelly, Athanassiou, Crittenden, 2000). In other words, family culture shapes the level of behavioral integration of the top team, or even the whole organization, therefore culture is a very important variable.

After factor analyses, culture subscale (as the overlap between family and business values as well as high commitment by the family) was divided into two components as Involvement & Commitment and Values & Loyalty. The current study found a positive, significant relationship between both culture components and Firm Performance: Market, Production, New Product Development & Engineering, and Financial. In addition Involvement & Commitment has much higher impact than Values & Loyalty on Firm Performance.

In the family members model, there is no impact of Values & Loyalty on firm performance. However, the strength of Involvement & Commitment on Firm Performance is much higher than the overall model. The greatest impact of both culture components on Firm performance is production performance. One of the reasons for this finding may be sampling of the family firms are operating in the manufacturing industry. In the professionals model, there exist same strengths of Involvement & Commitment and Values & Loyalty on the impact of Firm Performance. The coefficient of Involvement & Commitment on the impact of Firm Performance is the lowest value with respect to overall and family members model.

Findings were consistent with the previous study in the literature. Di Pofi (2003, p. 73) found significant relationships between Family Culture Influence (F-PEC) and "Satisfaction with Firm Performance" (Beta= .20; $p< .05$). He concluded that stronger the culture, the higher the satisfaction with financial performance." Greater overlap between family and business values will increase family dominance on the management board (Corbetto and Salvato, 2004). Both values overlap shapes a firm's Corporate Culture and reflects top management teams dependency.

The study findings show that Culture components have strong influence on top management team behavioral integration in all models. It can be concluded that top management teams dependency on the family (Corbetto and Salvato, 2004) is very high in the surveyed firms.

In this study Behavioral Integration of top management team consisted of Information Sharing, Collaborative Behavior and Joint Decision-making among top management team members. It is evident that the strengths of Involvement & Commitment on Joint Decision-making and Collaborative Behavior is much higher than Information Sharing related top management teamBI.

Similar findings exist for family members and professionals models. The strengths of Values & Loyalty on top management team behavioral integration components are much less than Involvement & Commitment. Similar findings exist for family members and professionals models. Involvement & Commitment has significant positive impact on top management team Professionalization; but this is not true for professionals model. In the family members model, there is a significant positive impact of Values & Loyalty on Corporate Values and Core Competencies-related top management teamSP.

The findings of this research indicate that culture, rather than power or experience, was the most important asset deriving from family influence and can, in fact, create a competitive advantage for family business. It should be noted that family culture also affects the relationships between family power and the control role of the board (Corbetto & Salvato, 2004). The results of this study suggest

that in family businesses, cultural growth is subject to increase firm performance as well as behavioral integration of top management team.

The overlap between family and business values, as well as high commitment by the family members to the firm, can lead to better performance. One plausible explanation of these results involves the dominated role of the founder's values in the family firm culture.

The research findings indicate that the majority of the founder owners in the surveyed firms are still active in the business. The specific background and character of entrepreneurs can lead to an establishment of a culture that is rich in core values and performance-enhancing behaviors. If the entrepreneurial/founder culture is developed by succeeding generations of the family, as an intangible asset which is difficult to replicate, can lead to a competitive advantage for family-influenced businesses.

5.4. Top Management Team Behavioral Integration

Upper Echelons Theory argues that top executives greatly influence organizational outcomes. top management teams that have less behavioral integration may give rise to failure whereas top management teams that have high behavioral integration may create high-performance organization (Carmeli and Schaubroeck, 2006; Nordqvist, 2005).

In this study results showed that top management team behavioral integration components were not significantly related to performance. The results are consistent with the argument of the two theories: Population Ecology Theory (Hannan and Freeman, 1977) and New Institutional Theory (DiMaggio and Powel, 1983). The argument was that top management teams had few effects because organizations were inertial, selected by external forces, and constrained by traditions and norms rather than the top management team that determined whether organizations succeeded or failed.

However, Hambrick and Finkelstein (1987; cited in Hambrick, 2007) suggested that either contrasting views were conditionally valid, depending on how much managerial discretion existed or free actions were allowed. The previous research findings of top management team

behavioral integration and business performance relations were mixed. Some studies found strong support between top management team behavioral integration and firm performance, others found opposite effect or no effect at all (Homburg, Krohmer and Workman Jr, 1999). However, Simsek et al. (2005) found that behavioral integration was positively associated with firm performance. This study found no relationship between the level of top management team behavioral integration and firm performance. This is an important finding in that it shows that behavioral integration is not an asset that is important for family businesses.

Firms in which the top management team is less behaviorally integrated may exhibit no change in levels of performance than those with more behaviorally integrated firms. On the other hand, top management team behavioral integration components have strong influences on top management team succession planning components. Especially Collaborative Behavior-related top management team behavioral integration in the overall model has significant positive influence on Strategic Goals and Core Competencies-related top management team succession planning.

In the family members model, Joint Decision-Making-related top management team behavioral integration has significant positive impact on Strategic Goals related top management team succession planning. In the professional model, there is a same relationship, but the strength of this relationship is much higher than in the family members model.

5.5. Top Management Team Succession Planning

Results of this study indicate that family firms that had a Succession Planning program engaged in activities and utilized such programs as Strategic Goals, Corporate Values, Core Competencies and Leadership Development as part of their executive succession procedures.

In three models, it can be concluded that Corporate Values-related top management team succession planning has a strong positive impact on top management team Professionalization. The findings support the idea that Corporate Values are the most predictable of top management

team Professionalization. The Corporate Values element represents the social informal relations, collective habits, behavioral patterns, and attitudes existing in an organization (Drejer, 2000).

Family and non-family executives both have the same view that prospective leaders should align their competencies with corporate values. In the professionals model there is also impact of Core Competencies-related top management team succession planning on Firm Performance. This finding is supported by the Staggenborg's (1988) argument that professional executives as career activists tend to formalize their organization in order to provide working conditions to practice and develop their organizational skills. He further argued that professional executives brought skills to an organization and expected to operate within an established structure.

It can be concluded that professional executives working in family businesses seek to develop their Core Competencies more than family executives. This finding consistent to Tegarden et al.'s (2003) argument that top managers should be able to equally influence financial, operational, and organizational performance of a firm.

5.6. Top Management Team Professionalization

The result shows that Values & Loyalty has significant positive relationship with Corporate Values-based top management team succession planning in the family members model. Thus, there are significant positive relationships between Corporate Values-based top management team succession planning and top management team professionalization in all models.

The results of this study suggest that, in the surveyed family firms, there is a high level of family and business values overlap. Greater overlap will increase a family's dominance on the board (Corbetto and Salvato, 2004). It can be concluded that, in the surveyed family firms, family culture influences the professionalization of the top management team.

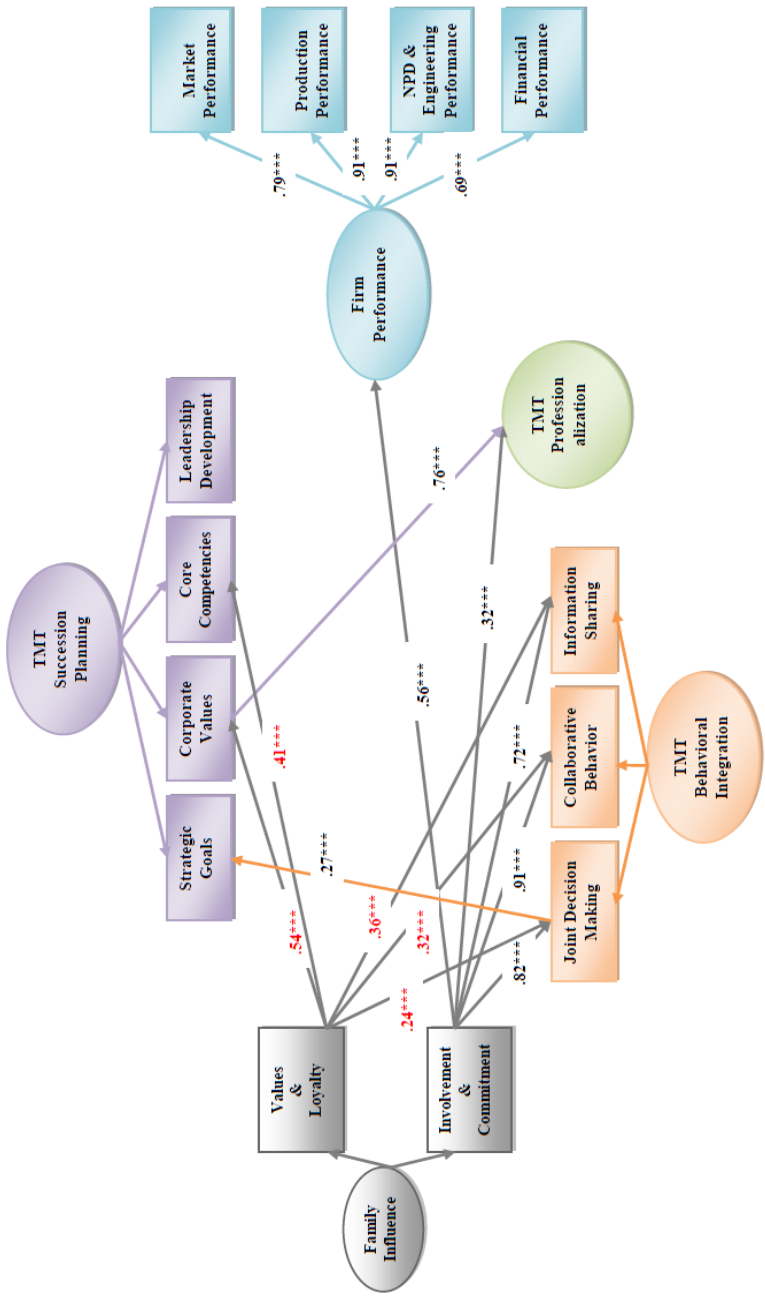


Figure 3: *Standardized path coefficients for hypothesized model (Family Members)*

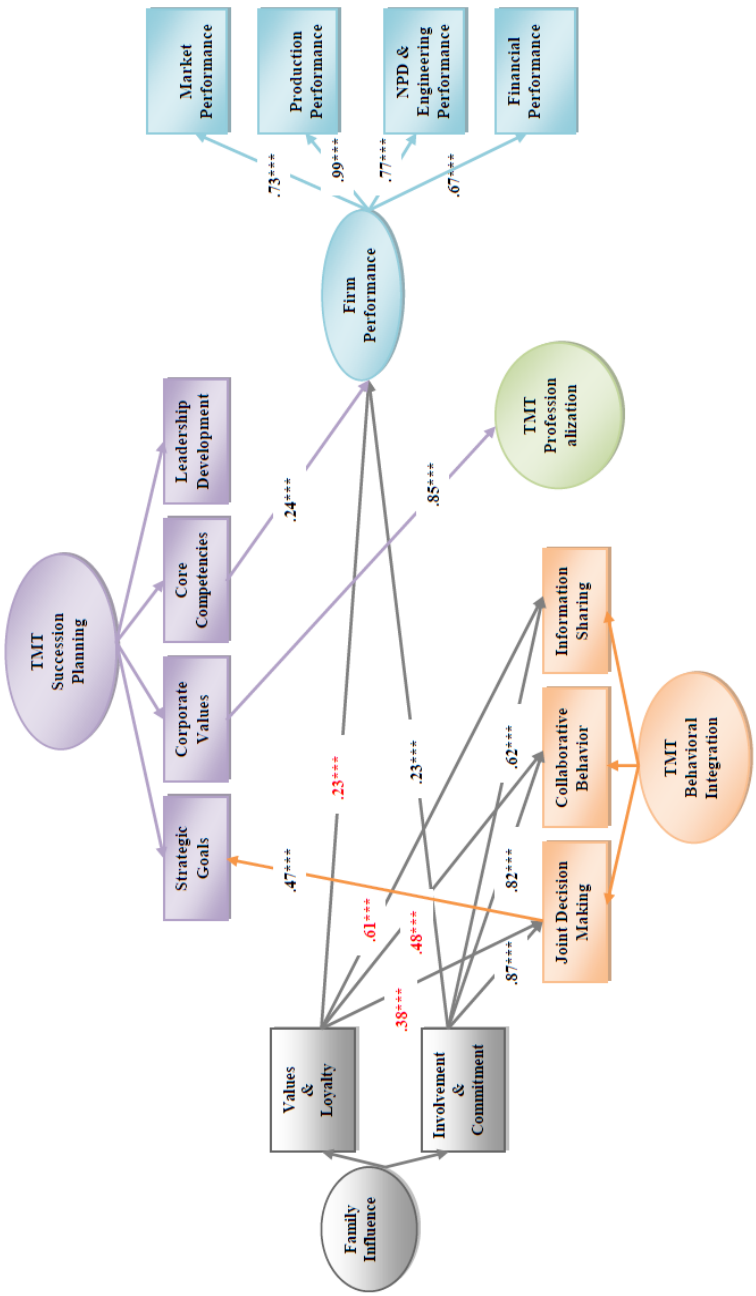


Figure 4: *Standardized path coefficients for hypothesized model (Professionals)*

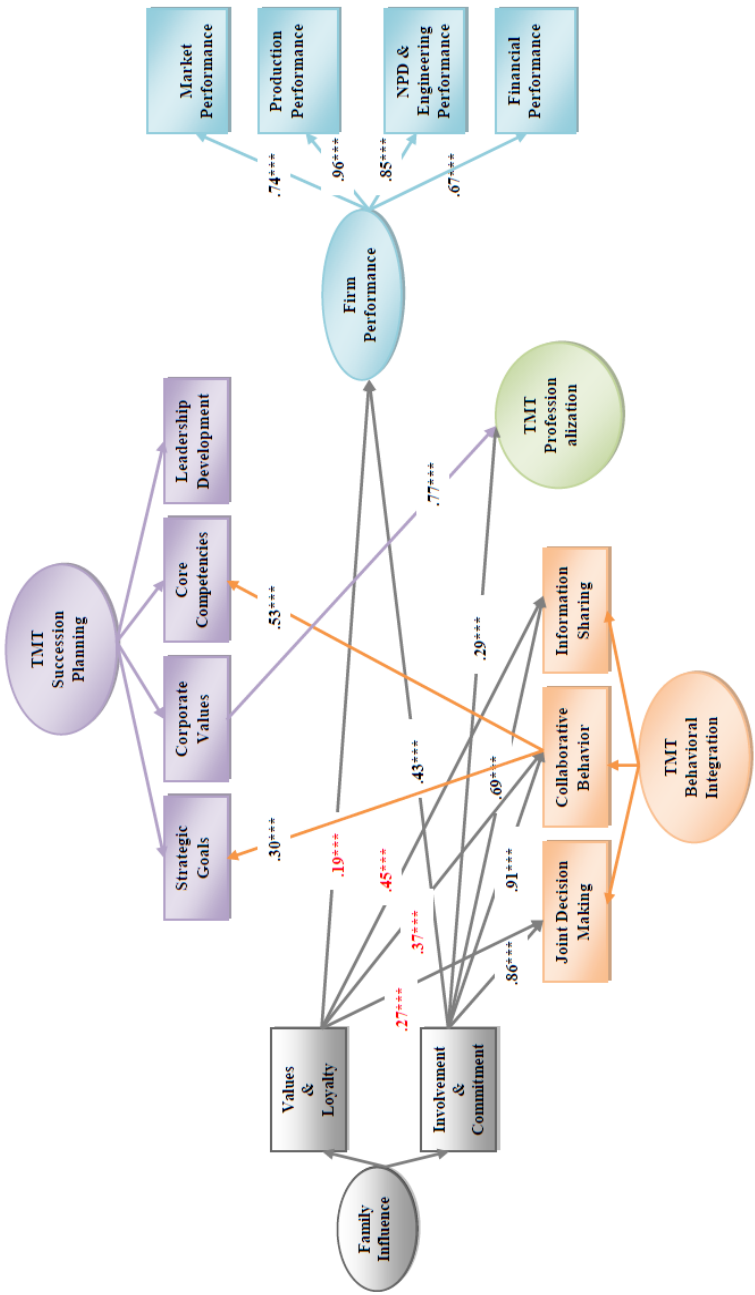


Figure 5: *Standardized path coefficients for hypothesized model (Overall)*

6. Conclusion

The overall purpose of this paper was to test the hypothesized relationships among family influence, top management team behavioral integration, top management team succession planning, top management team professionalization, market dynamism, and firm performance.

This study also made important contributions to identifying the differences between family members and professionals in relationships. Furthermore, this study addressed the shortcomings in family business research on how to measure family influence. A standardized F-PEC scale measuring power, experience and culture in the family business was used and combined in the research.

The results of the study indicated a positive relationship among culture (values & loyalty, involvement & commitment) – based family influence, Top Management Team Behavioral Integration and firm performance. A positive impact of collaborative behavior based Top Management Team Behavioral Integration on Top Management Team Succession Planning by means of strategic goals and core competencies were found.

Another finding was the positive impact of corporate values-based top management team succession planning on top management team professionalization. In addition, market dynamism was found to play no role on family influence.

Further, there was a significant perceptual difference between family and non-family executives about the degree of professionalization. Finally, there was a significant difference in the hypothesized relationships among overall, family, and non-family executives. Further, a study of environmental effects on family influence in different industries is also recommended. Moreover, surveys conducted in other countries and sectors can enhance the validity of this study's findings.

6.1. Recommendations for Further Research

A study on impacts of different management structures on top management teamBI, top management teamSP, and top management team professionalization in family firms operate in the automotive

supplier industry should enhance our understanding about family businesses.

Perceptual variations of market dynamism among pure family, pure non-family, and mixed management in family firms and relations to firm performance are recommended for the future study. “The larger and more established the business, the more non-family executives hold leadership positions” (Klein and Bell, 2007, p. 31). Non-executives role in strategic decisions is questionable since they hold their sit on the mixed management boards. To identify how dominant the family members are on the board should be interesting study in family firms operating in the automotive supplier industry in Turkey.

6.1.1. Limitations of the Study

The study is conducted within limitations. Survey responses represent a given point in time. These data are limited and do not adequately capture possible changes over time. The generalizability of the results of the study was limited, as the data was collected from one specific sector. The sample was limited to family businesses operating in the automotive supplier industry in Turkey without specific focus on the size of the company.

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