



MONASH University

**Blurred Governance and the Enabling and
Constraining of Individual Moral Agency in Family
Firms**

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Abstract

Family businesses are characterised by blurred governance relationships due to the active involvement of family members in both a firm's governance and management. This feature allows family-owners to shape firms according to idiosyncratic family values, which may impinge upon organisational members' moral agency to enact their own values. Accordingly, this study investigates how blurred governance relationships enable and constrain individual moral agency in family firms. Adopting a critical realist lens based on the work of Margaret Archer, this thesis reports on an intensive case study of a large, family-owned technology business, TechCorp. Drawing on 48 days of fieldwork and using multiple qualitative data collection methods, data analysis proceeded under the critical realist explanatory logics of abduction and retroduction. This study found that: (1) family involvement in governance and management gives rise to structural and cultural emergent properties, which together form organisational structures that impinge upon individuals; (2) individuals operating under these organisational structures deploy distinct strategies to exercise moral agency; and (3) each of these agentic strategies is liable to be enabled and constrained to the extent that individuals interpret their moral concerns as appeased or frustrated. These findings are discussed by considering the nexus of family business ethics, individual moral agency, and critical realist organisational research. Theoretically, this thesis contributes to the field of family business ethics by extending a spectrum of moral agency predicated on different categories of agentic projects formulated by individuals to address their moral concerns in family firm settings. It also advances critical realist organisational research by exploring the generative mechanisms that affect individual moral agency and the conditions under which they may lead to experiences of enablement and constraint. Empirically, this study develops the family business governance and moral agency literatures by addressing the dearth of empirical work on actual behaviours of family members and extant accounts of individual moral agency in organisations. From a methodological perspective, this research offers a way forward to engage qualitatively with both the organisational (structure) and individual (agency) levels of analysis, underpinned by critical realist metatheoretical assumptions. Thus, this thesis aims to demonstrate the value of critical realist approaches to the study of family business ethics.

Declaration

This thesis is an original work of my research and contains no material which has been accepted for the award of any other degree or diploma at any university or equivalent institution and that, to the best of my knowledge and belief, this thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

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Date: 26/11/2020

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For my beloved partner in life, Jessica.

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Chapter 1: Introduction

Family firms display a plethora of ethical possibilities given the intricate relationships that exist between family and non-family members. Among family members, power struggles, intergenerational conflict, internal feuds and rivalry, identity conflict, emotion-laden decisions, diverging preferences concerning a firm's direction, to name a few, render the 'business family' a fascinating institution for the unpacking of ethical phenomena. Likewise, family and non-family relationships are prone to significant ethical tensions, involving, for example, family over-reach, preferential treatment of family members, exclusion of non-family members from key decisions, diminished promotion possibilities of those outside the family circle. Together, these issues highlight some of the ethical complexities in the 'family business'.

Within the broad range of ethical phenomena that may be of interest to family business scholars, this thesis focuses on family values as central to relationships among family firm constituents. Since the question of family values has the potential to permeate multiple layers of a family firm, this study benefits from the ontological premises of critical realism, which enable the researcher to advance explanations about how social phenomena interact in the context of a deeply stratified social reality. In particular, critical realism allows this study to track how family involvement in a firm's governance and management impresses family values upon individuals, and thence to explore how this influences the latter's capacity to pursue their *own* values.

Family involvement in governance and management generates blurred governance relationships in family firms, whereby family members play multiple roles in both a firm's governance and management (Mustakallio, Autio, & Zahra, 2002). Unlike typical *corporate* governance arrangements, family business governance is characterised by overlapping, rather than diverging, firm ownership, control, and management spheres (Aronoff, 2004; Pindado & Requejo, 2015; Siebels & Zu Knyphausen-Aufseß, 2012; Tagiuri & Davis, 1996). This blurring of governance relationships enables family owners to shape organisational structures, processes, and behaviour according to their own values (Arregle, Hitt, Sirmon, & Very, 2007; Carney, 2005; Chrisman, Chua, & Zahra, 2003; Gersick & Feliu, 2014; Salvato, Chirico, Melin, & Seidl, 2019; Sorenson, 2014). Indeed, some scholars argue that an owning family's overarching influence over a firm is what *defines* a family firm: "[t]he family business

is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family...” (Chua, Chrisman, & Sharma, 1999, p. 25).

Yet, from an ethical perspective, the imposition of family-based values in a firm may affect organisational members’ individual moral agency to enact their *own* values. Deviations from family values can lead to social sanctions that pressure organisational members to conform (Lumpkin, Martin, & Vaughn, 2008; Sorenson, 2014), or uncritically accept established routines, rules, and principles (Kidwell, Eddleston, & Kellermanns, 2018). The strict imposition of family values can also create cognitive and behavioural rigidities, such as closed-mindedness, reduced stakeholder engagement, and resistance to change or innovate (Abdelgawad & Zahra, 2020; Nason, Carney, Le Breton-Miller, & Miller, 2019). Non-family organisational members, in particular, may be negatively impacted by experiencing a reduced sense of meaning and belonging when they do not identify with family values (Tabor, Madison, Marler, & Kellermanns, 2020). Indeed, non-family employees are often dismissed as ‘second-class citizens’ (Dyer & Whetten, 2006).

This thesis focuses on the question of individual moral agency in family firms. Individual moral agency in family firms is significant given the prevalence of this type of organisation around the world. Prior studies suggest that family firms account for no less than 30% of the 20 largest publicly traded companies across the 27 richest economies (La Porta, Florencio, & Shleifer, 1999). In the US, family firms represent over 33% of publicly listed firms (Villalonga & Amit, 2006; Villalonga, Amit, Trujillo, & Guzmán, 2015) and about 90% of all companies in the domestic economy (Shanker & Astrachan, 1996). In Western Europe, family firms amount to 44% of all companies, with this percentage rising to over 50% in most countries in Continental Europe (Faccio & Lang, 2002). Likewise, in East Asia, significant portions of the market capitalisation are concentrated in the hands of a small number of families (Claessens, Djankov, & Lang, 2000). In Australia, the context of this study, family firms account for around 20% of listed companies (Bartholomeusz & Tanewski, 2006) and 67% of all businesses (Graves & Thomas, 2006). Overall, given the estimate that family firms employ about 60% of the global workforce (Neckebrouck, Schulze, & Zellweger, 2018), the way these firms are governed and managed is liable to shape the experience – and the sense of agency – of millions of individuals.

In the context of family firms, this study sets out to explore how blurred governance relationships – through family involvement in governance and management – enable and constrain individual moral agency. In reviewing extant philosophical (specifically

MacIntyrean; MacIntyre, 1999) and psychological (specifically social cognitive; Bandura, 2001) accounts of moral agency, this thesis argues that the family business ethics literature can benefit from a deeper sociological exploration of moral agency as embedded within organisational structures. Therefore, in this thesis I adopt an Archerian critical realist lens (Archer, 2003, 2007a) to frame the relationship of blurred governance and individual moral agency as an interplay of structure and agency, thus allowing for the analytical differentiation of the conditions of action and the action itself (Herepath, 2014; Mutch, Delbridge, & Ventresca, 2006).

This thesis advances the promising but as yet underdeveloped field of family business ethics by explicating how organisational members may experience a sense of enablement and constraint when interacting with family-imposed values (O'Boyle, Rutherford, & Pollack, 2010; Sharma & Sharma, 2011; Tabor et al., 2020; Vazquez, 2018). Moreover, owing to its Archerian orientation (Archer, 2003, 2007a), it contributes more broadly to critical realist approaches to organisational research, providing a sociological interpretation of the effects of blurred governance upon individual moral agency in family firms.

This introductory chapter proceeds by outlining an intensive critical realist case study used to explore the relationship between blurred governance and individual moral agency. The analytical framework based on Archer's (2003, 2007a) reading of critical realism is subsequently presented. To unpack the conceptual material associated with this analytical framework, the key concepts used throughout the study are also briefly defined. The main contributions of this research are summarised next. Finally, a chapter-by-chapter overview of the thesis is provided.

1.1. An intensive critical realist case study

This thesis investigates the nexus of blurred governance and individual moral agency in the context of a large, privately-held digital technology family firm, based in Australia. It is given the pseudonym TechCorp in this thesis. I selected this case organisation due to its unique features as a (self-identified) values-driven family firm operating in a fast-paced technological environment characterised by innovative work practices, with potential implications for how businesses might be governed and managed into the future. TechCorp's governance and management is dominated by members of a single founding-

family which, as it became increasingly apparent during my fieldwork, attempted run the business according to their shared faith-based values.

Over the course of 2018, I observed how blurred governance materialised as family members became involved in TechCorp's governance and management levels to address a number of issues that prompted them to act on their values. On multiple occasions, such family involvement served to inject family values in the firm, thereby shaping the socio-cultural context in which organisational members operated. Concomitantly, I examined how individuals experienced a sense of enablement and/or constraint as they attempted to address their moral concerns within an organisational environment informed by family values. Substantiated by this empirical work, then, this thesis reports on the effects of blurred governance through family involvement upon individual moral agency at TechCorp.

This thesis draws from Margaret Archer's (Archer, 2003, 2007a) reading of critical realism because her approach to explaining social phenomena in terms of structure, culture, and agency lends itself well to a study of how familial organisational structures influence individual moral agency. Such a critical realist framing is predicated on the ontological differentiation and analytical separability of structure and agency, thereby allowing an examination of the effects of former upon the latter. In this regard, the "causal powers of social forms" is held to be "mediated through human agency" (Bhaskar, 2014[1979], p. 125). What renders individuals enabled and constrained during this mediatory process are the generative mechanisms through which structure impinges upon agency, which are activated when individuals pursue deliberate courses of action (Archer, 2003, 2007a). A major goal of this critical realist research, then, was to uncover the generative mechanisms associated with blurred governance that affect individual moral agency, and the conditions under which mechanisms are likely to enable and constrain moral agency.

As a result, an intensive case study approach that is specifically designed to posit and explore generative mechanisms was chosen for this research (Ackroyd & Karlsson, 2014). This approach enabled an immersion in TechCorp's socio-cultural environment to not only identify structures emergent from blurred governance relationships, but also capture moments of individual moral agency as organisational members confronted impinging structures to address their moral concerns.

Methodologically, empirical material mobilised through an intensive case study approach substantiated the abductive and retroductive modes of inference associated with critical realism and applied in this research (O'Mahoney & Vincent, 2014). Whereas the former concerns a recontextualisation of empirical material in terms of structures not directly

observable, the latter involves postulating the existence and behaviour of generative mechanisms and the conditions under which they occur (Danermark, Ekström, Jakobsen, & Karlsson, 2002; Sayer, 2010).

Taken together, the metatheoretical assumptions associated with critical realism indicate that research is not a concept-free endeavour (Fleetwood & Ackroyd, 2004). The *a priori* analytical framework employed in this thesis is therefore outlined below.

1.2. Analytical framework

This study draws from Archer's formulation of critical realism to understand how structure is mediated through agency (Archer, 1995, 2003, 2007a). Against what she terms 'conflationary' accounts, which fail to ascribe independent ontological status to both structure and agency, Archer (1995) maintains that structure influences agency by shaping the circumstances in which individuals find themselves. Individuals, in turn, are held to reflexively mediate the impact of causal powers of structure upon them as they deliberate about their agentic 'projects' or intentional courses of action aimed at addressing their concerns in society (Archer, 2003, 2007a). Extrapolating Archer's formulation from the societal to the firm level, this thesis assumes that *organisational* structures can be equally causally efficacious in enabling and constraining agentic projects within a business organisation.

In this thesis, *moral* agency is construed as a social project expressive of an individual's moral concerns – or those relating to ideas about right and wrong – that is subject to structural enablements and constraints. Given the role of human reflexivity in the mediatory process (Archer, 2003, 2007a), individuals' sense of enablement or constraint depend on whether they interpret their agentic projects, deployed to appease their moral concerns, as facilitated or obstructed by impinging organisational structures.

Within family firms, blurred governance relationships are held to inform organisational structures as family members become involved in a firm's governance and management. The presupposition that family values are diffused throughout a firm via blurred governance therefore has implications for how organisational members exercise moral agency. From this perspective, the relationship between blurred governance and individual moral agency can be framed as a specific 'structure-agency problem' to be addressed by the family business ethics literature.

They key concepts mobilised within this analytical framework are briefly defined below.

1.3. Key concepts

Family firm

Scholars have yet to reach a consensus as to what constitutes a family firm (Astrachan, Klein, & Smyrnios, 2002; Chua et al., 1999; Siebels & Zu Knyphausen-Aufseß, 2012). Considering this thesis' problematisation of the imposition of family values within an organisation, family firms are herein broadly defined as "those where a family owner exercises much influence over the firm's affairs" (Gomez-Mejia, Cruz, Berrone, & Castro, 2011, p. 658). This broad definition was selected because it draws attention away from the discussion of what constitutes a family firm from an ownership composition perspective, which is useful to differentiate it from non-family firms (Pindado & Requejo, 2015), but adds little value when exploring how family members influence the firm itself. Instead, this thesis leans towards an 'essence approach' in its definition of family firms, whereby what characterises a family firm is the *behaviour* of family members in influencing a firm (Chua et al., 1999). Further, this conceptualisation reflects the 'core dimensions' of family firms, namely, that of active family involvement in both a firm's governance and management (Mustakallio et al., 2002; Pindado & Requejo, 2015; Salvato et al., 2019).

Blurred governance relationships

Blurred governance are defined as an owning family's involvement in multiple roles in a firm's governance and management, leading to overlapping family, ownership, control, and management memberships (Mustakallio et al., 2002; Neubauer & Lank, 1998; Tagiuri & Davis, 1996). Blurred governance means that it is often difficult to distinguish whether family members are acting as owners, board directors, managers, or employees, thereby producing a complex web of relationships among incumbents of these roles. This relational or structural configuration allows family members to infuse their own moral principles throughout a firm, while also bearing on the moral agency of all employees. In this thesis, blurred governance is held to be a key mechanism by which values of an owning family are transmitted to a family firm (Sorenson, 2014). Therefore, this thesis maintains that blurred

governance may have significant explanatory purchase on how moral agency is enabled and constrained in family firms.

Family values

In the context of family firms, family values refer to those moral principles, standards, codes, and norms that typically originate from family owners but also permeate the family firm as family involvement takes place (Sorenson, 2014). Family values guide behaviour by explicitly or implicitly defining what is morally acceptable and unacceptable within a family firm (Aronoff & Ward, 2011). As such, the imposition of family values upon organisational members has the potential to affect the latter's moral agency to enact their own values. From an Archerian critical realist perspective (Archer, 2003, 2007a), this thesis considers family values as a cultural property emergent from family involvement in a firm that informs the socio-cultural milieu in which organisational members find themselves (see the definition of emergent properties as a key concept below).

Emergent properties

Critical realism assumes a stratified ontology whereby properties of objects (e.g., people, social structures) are held to be emergent from, but irreducible to, their constituents (Sayer, 2010). Objects in one stratum may interact to produce qualitatively different properties at a higher stratum (Archer, 1995; Danermark et al., 2002; Sayer, 2010; Sousa, 2010). For example, an organisation is more than the summation of its constituent parts; it emerges from interrelating objects (e.g., departments), but is not necessarily reducible to any particular one.

Critical realists consider structure and agency to be situated in different strata insofar as their emergent properties are irreducible to each other (Sayer, 2010). Emergent properties of structure are defined as either *structural* or *cultural*: the former emerges from human relations among social positions (e.g., institutions, organisations, rules; Porpora, 1989), while the latter from logical relations among ideational objects (e.g., theories, doctrines; Archer, 2003). Agency, in turn, is defined as a function of personal emergent properties that depend on human mental activities (e.g., thinking, reflecting, intending; Archer, 2000, 2003, 2007). Taken together, structural and cultural emergent properties are held to shape the socio-cultural context within which individuals operate and human agency is situated.

Individual moral agency

Under an Archerian formulation (Archer, 2003, 2007a), individual moral agency is characterised in this thesis as an agentic project defined and pursued by individuals seeking to appease their moral concerns. The enabling and constraining of moral agency is dependent upon individuals' reflexive deliberations as to whether or not their projects are successful in catering to their moral concerns given prevailing structural and cultural conditions. This subjective component of moral agency, whereby experiences of enablement and constraint depend upon the *meaning* that individuals ascribe to their actions (Wilcox, 2012), parallels extant social cognitive (Bandura, 2001) and MacIntyrean (MacIntyre, 1999) accounts of moral agency in organisational research.

1.4. Contributions to knowledge

This study advances the family business ethics literature by explicating the effects of blurred governance relationships on individual moral agency. Specifically, it elucidates how blurred governance may lead to subjective experiences of enablement and constraint by giving rise to structural and cultural emergent properties that impinge upon individuals' reflexive deliberations about the agentic projects they deploy to address their moral concerns (Archer, 2003, 2007a). In so doing, this thesis extends an analytical framework to categorise and examine different agentic projects according to an individual's level of critical engagement *vis-à-vis* their circumstances and the potential for socio-cultural reproduction or transformation, thereby unpacking a "spectrum of agentic possibilities" in the context of family firms (Wilcox, 2016, p. 270).

More broadly, this thesis contributes to critical realist organisational research by postulating the generative mechanisms associated with blurred governance that enable and constrain individual moral agency. Additionally, it proposes the conditions under which each generative mechanism may lead to a sense of both enablement and constraint as organisational members deploy different agentic projects to appease their moral concerns. Overall, as far as I am aware, this study is among the first in critical realist family business ethics, thus paving the way for future work to draw on critical realism to further interrogate the ethical implications of structure-agency dynamics in family firms.

Empirically, this study mobilises deep, qualitative empirical material on privately-held family firms, access to which is notoriously difficult, especially at the governance level (Bammens, Voordeckers, & Van Gils, 2011; Leblanc & Schwartz, 2007; Pettigrew, 1992).

Such access enabled me to tap into the 'black box' of family business governance to examine actual behaviours of family members, and their effects on individuals, thereby resisting the common tendency to reduce such behaviours to intervening variables in statistical governance models (Bammens et al., 2011; Finkelstein & Mooney, 2003; Uhlaner, Wright, & Huse, 2007). Relatedly, this research addresses the dearth of empirical work on moral agency in organisational settings (Wilcox, 2016) to shed light on both social cognitive (Bandura, 2001) and MacIntyrean (MacIntyre, 1999) accounts of individual moral agency under a critical realist framing.

From a methodological perspective, this research offers a primer on applying the critical realist explanatory logics of abduction and retroduction to the study of family business ethics (O'Mahoney & Vincent, 2014). Taken together, these modes of inference informed data analysis on the relationship of structure and agency to explicate the mechanisms by which structural and cultural properties emergent from blurred governance impinge upon individual moral agency. The pay off in cyclically shifting the focus between the organisational (structure) and individual (agency) levels of analysis is a rich dataset underpinned by a robust critical realist (meta)theoretical framework. Future researchers may avail themselves of this methodological contribution to make further advancements in critical realist studies of family business ethics.

1.5. Thesis overview

The remainder of this thesis is structured as follows. Chapter 2 problematises blurred governance relationships in family firms by highlighting the ethical implications of family involvement in governance and management, which imposes family values upon organisational members. To do so, it reviews the extant literature on family governance, based on agency theory, stewardship theory, and social capital theory, and explores how blurred governance allows family owners to impress their values upon a firm and its organisational members. The chapter concludes with a review of individual moral agency in business ethics research, maintaining extant accounts of individual moral agency stand to benefit from a sociological framing that juxtaposes (organisational) structures with (moral) agency.

Chapter 3 develops the analytical framework for the study. Based on Archer's (2003, 2007a) formulation of how social structures are mediated through human agency, it builds on the role of human reflexivity in explaining how individuals to make their way through the

world. It construes individual moral agency as an agentic project deployed by individuals to address their moral concerns that is liable to enablements and constraints when confronted by organisational structures emergent from blurred governance relationships. In applying a critical realist reading to the research problem discussed in chapter 2, it concludes by presenting this thesis' research questions.

Chapter 4 discusses this thesis' critical realist research design. It maintains that critical realism supplies the methodological apparatus for examining the relationship between (organisational) structures and (moral) agency. Additionally, it details the criteria for selecting this thesis' single, intensive case study approach, choice of methods, sources of data, and data analysis procedures, which are derived from critical realist ontological and epistemological assumptions. An exploration of researcher reflexivity is also provided.

Chapter 5 responds empirically to the first research sub-question (*how do blurred governance relationships and individual moral agency manifest in a family firm?*) by considering how *blurred governance* materialises in a family firm. The research findings suggest that blurred governance emerges as family involvement takes place at three analytically distinct, but overlapping, corporate levels: (1) governance; (2) executive; and (3) operational. At each of these levels, organisational structures informed how individuals related to the firm, the family, and one another. At (1) the governance level, organisational structures arose as the family sought to: impose its faith-based values; develop a system of ownership and profits aligned to its values; influence board-management relations; and direct organisational resources to further social causes. At (2) the executive level, it arose as the family called upon executives to: operationalise its values; emulate its leadership philosophy; and develop a values-based performance review. Finally, at (3) the operational level, values became embedded in the firm as the family: communicated the values-imperative; endorsed operational cycles; and influenced hiring and onboarding.

Chapter 6 also responds empirically to the first research sub-question by considering how *individual moral agency* manifests in a family firm. It presents findings that indicate that individuals employ at least three distinct strategies to address their moral concerns, and thus exercise moral agency: (1) Deferring; (2) Voicing; and (3) Challenging. (1) Deferring emerged as the strategy of enlisting the firm and/or the family as proxies for addressing one's moral concerns. (2) Voicing represented an active stance that individuals took to directly articulate their moral concerns to others. (3) Challenging entailed the more active engagement of calling into question behaviours and decisions based on one's moral concerns. These findings suggest that each strategy is liable to be enabled and constrained

as individuals interpreted their moral concerns as appeased or frustrated as they interacted with organisational structures.

Chapter 7 continues the empirical incursion into blurred governance and individual moral agency by considering how the former affects the latter in the context of a critical incident within TechCorp, namely, the Google Memo event. It illustrates how blurred governance relationships became manifest as family involvement occurred at the governance, executive, and operational levels, to reinforce family values in the wake of an ethically-charged episode. Additionally, it shows how individuals availed themselves of the deferring, voicing, and challenging strategies to address their moral concerns around the Google Memo event, feeling enabled and constrained as they did so.

Chapter 8 discusses the empirical findings and explores the second research sub-question in the context of the critical realist framing of this thesis: *What are the mechanisms whereby, and conditions under which, blurred governance relationships affect individual moral agency?* In doing so, it examines this study's central research question (*how do blurred governance relationships enable and constrain individual moral agency in family firms?*) based on extant business ethics literature.

Chapter 9 concludes the thesis. It includes a reiteration of the main findings in relation to the research questions, a summary of the research contributions and discussion of the limitations, future research directions, and practical implications of the study.

In closing, in this introductory chapter I outlined the underlying research problem motivating this study and provided an overview of how this thesis is positioned and structured to interrogate the effects of blurred governance upon individual moral agency in family firms. I now turn to review and problematise the conceptual and empirical literatures on family business governance and individual moral agency in business ethics research.

Chapter 2: Literature Review

This chapter seeks to problematise (Alvesson & Sandberg, 2011) the ethical implications of blurred governance relationships in family firms, so as to lay the groundwork for the development of the research questions in chapter 3. It problematises blurred governance by arguing that family involvement in governance and management is liable to impose family values upon organisational members who might not share these values. Concomitantly, it maintains that extant accounts of individual moral agency in business ethics research stand to benefit from a sociological framing that enables the examination of how organisational structures impact upon human agency. Explicating the need to better understand the relationship between structure and agency will permit a subsequent discussion, in chapter 3, of the critical realist framework within which the research questions will be addressed.

This chapter begins by surveying the main theoretical perspectives used to explore governance relationships in firms – agency theory and stewardship theory – and criticisms levelled against them in terms of failing to account for the specific characteristics of family firms. As a counter-perspective, it introduces the concept of relational governance, based on social capital theory, given its emphasis on social control mechanisms in family firms. Next, it argues that although the forgoing theoretical perspectives have helped understand family business governance, blurred governance relationships remain unproblematised in terms of potentially impacting organisational members' ability to pursue their own values. In dealing with issues of moral agency, it subsequently reviews prominent philosophical (i.e., MacIntyrean; MacIntyre, 1999) and social cognitive (Bandura, 2001) formulations of individual moral agency in the business ethics literature. It concludes by arguing the value of explicitly juxtaposing structure and agency for a more fulsome account of the effects of the former on the latter.

2.1. Drawing the contours around blurred governance

This section reviews theoretical approaches typically employed by family business scholars to understand and explain family business governance. It lays the groundwork upon which to make sense of potential shortfalls of such theoretical approaches and from which to embark on alternative perspectives to explore governance in family firms. As such, this

section will pave the way for a more focussed review of the ethical implications of family involvement in governance and management in section 2.2.

Agency theory¹ and stewardship theory have afforded the principal means by which to explore governance relationships within family firms (Goel, Jussila, & Ikaheimonen, 2014). These governance perspectives originated in the broader corporate governance literature and have been applied to family business settings (for a review, see Madison, Holt, Kellermanns, & Ranft, 2016).

Agency theory dominates family business governance research (Goel et al., 2014). Rooted in economics and property rights, agency theory is concerned with agency relationships produced when principals (owners) delegate decision-making authority to agents (managers) to perform services on their behalf (Dalton, Hitt, Certo, & Dalton, 2007; Jensen & Meckling, 1976). Agency relationships portray owners and managers as distinct parties motivated to maximise diverging utility preferences (Eisenhardt, 1989). From an agency theoretical perspective, the goal of effective governance is to address agency problems stemming from misaligned owner-manager interests, while keeping the costs of doing so – or agency costs – to a minimum (Jensen & Meckling, 1976).

Agency theorists have explored a number of governance arrangements to mitigate agency problems in family firms, such as the close monitoring of executives (Villalonga et al., 2015). Family business scholars typically classify agency-based governance arrangements as *contractual* (e.g., Mustakallio et al., 2002; Uhlaner, Floren, & Geerlings, 2007). One contractual governance arrangement refers to a formal board of directors, construed as the apex of a firm's internal control system to ensure that the interests of family owners are met (Fama, 1980; Fama & Jensen, 1983; Jensen, 1993; Mizruchi, 1983). For instance, boards are held to address family firm agency issues by, *inter alia*, monitoring and disciplining managers, setting limits on managerial decision-making discretion, overseeing management succession, reducing information asymmetries between owners and managers, regulating management compensation (Bammens et al., 2011; Bettinelli, 2011; Corbetta & Salvato, 2004a; Gersick & Feliu, 2014; Sherlock & Marshall, 2019).

¹ The concept of 'agency' in agency theory differs from that of *moral agency*. Whereas the former deals with agency in the context of principal-agent relationships, created when owners delegate decision-making authority to managers (Jensen & Meckling, 1976), the latter addresses individuals' reflexive interpretations about courses of actions deliberately deployed to address their moral concerns.

In contrast, stewardship theory is predicated on the assumption that managerial behaviour is “ordered such that pro-organizational, collectivistic behaviors have higher utility than individualistic, self-serving behavior” (Davis, Schoorman, & Donaldson, 1997, p. 24). Under stewardship relationships, interests of owners and managers are aligned as managers are held to be intrinsically motivated to pursue organisational objectives (Davis et al., 1997; Donaldson & Davis, 1991).

Unlike contractual and control-oriented arrangements propounded by agency theory, stewardship scholars advocate for *collaborative* approaches to governance that promote cooperation between owners and managers, and empower managers with expansive decision-making powers (Sundaramurthy & Lewis, 2003). Indeed, stewardship theorists posit that control mechanisms may not only be unnecessary but counterproductive, since they may stem feelings of autonomy and responsibility that drive employee motivation to perform (Corbetta & Salvato, 2004b; Hernandez, 2012). From a stewardship standpoint, the role of the board is less one of control than of advisory (Gubitta & Gianecchini, 2002; Jaskiewicz & Klein, 2007). Due to overlapping owner-manager interests, boards exist to encourage, empower, and guide managers to exercise unencumbered authority for the benefit of family owners (Donaldson & Davis, 1994; Eddleston, Kellermanns, & Zellweger, 2012). Thus agency and stewardship theories are typically juxtaposed as contrasting approaches to family business governance (e.g., Nicholson & Kiel, 2007; Nordqvist & Goel, 2008); whereas the former calls for contractual, control-based governance relationships, the latter argues that collaborative and cooperative relationships are the hallmarks of good governance.

Aiming to transcend potential agency-stewardship dichotomies, scholars have increasingly called for a hybrid perspective that explores the conditions under which both agency and stewardship governance may manifest in a single firm (James, Jennings, & Jennings, 2017; Jaskiewicz & Klein, 2007; Le Breton-Miller & Miller, 2009; Madison et al., 2016; Madison, Kellermanns, & Munyon, 2017). This ‘integrative turn’ is based on the notion that both approaches may complement each other to yield better governance and firm performance (James et al., 2017). For example, empirical work by Madison et al. (2017) suggests that family firms may benefit in terms of pro-organisational employee behaviour and performance when both agency and stewardship governance arrangements are in place.

Yet, due to the attendant complexity of governance relationships in family firms, scholars are increasingly questioning the wholesale use of agency and stewardship theories

in family businesses research. Given the predominance of complex social dynamics in family businesses, both theories are challenged for downplaying interactions between individuals and the social structures within which they are embedded. Agency theory is denounced for relying on an under-socialized view of individuals operating outside socially situated contexts (e.g., Cuevas-Rodríguez, Gomez-Mejia, & Wiseman, 2012; Ghoshal, 2005; Westphal & Zajac, 2013). Stewardship theory, while acknowledging the importance of psychological and situational factors, is critiqued for an overly static account of their interplay (e.g., Arthurs & Busenitz, 2003; De Massis, Kotlar, Chua, & Chrisman, 2014; Letza, Xiuping, & Kirkbride, 2004). As Mustakallio et al. (2002, p. 205) observe, owing to complex governance relationships in family firms, “a typical family firm violates almost all of the underlying assumptions of traditional governance theories.”

Aiming for more nuanced explications of the social dimension of family business governance, one line of enquiry has availed itself of what has been termed ‘relational’ perspectives (Goel et al., 2014; Mustakallio et al., 2002; Uhlaner, Floren, et al., 2007). Relational governance scholars commonly draw from social capital theory (Nahapiet & Ghoshal, 1998) to argue that social relationships among interacting family members, owners, managers, and employees may shape governance arrangements in family firms (Gersick, Davis, Hampton, & Landsberg, 1997; Tagiuri & Davis, 1996). Relational governance scholars emphasise that social complexity arises because owning-family members often play multiple roles in both governance and management of a firm (Mustakallio et al., 2002; Nordqvist & Goel, 2008).

Relational approaches to family business governance draw attention to the role of informal social control (Astrachan, 2010; Chrisman, Chua, Le Breton-Miller, Miller, & Steier, 2018; Pieper, Klein, & Jaskiewicz, 2008; Rosenkranz & Wulf, 2019). Social control reflects “pressures for conformance, accommodation, or adaptation to the norms and values of society and/or the interests of salient stakeholders” (Chrisman et al., 2018, p. 172). In the family business domain, informal social controls have been found to include, *inter alia*: family values (Yuan & Wu, 2018); shared vision (Mustakallio et al., 2002); mutual monitoring (Combs, Penney, Crook, & Short, 2010); mutual reciprocity and shared history (Nordqvist & Goel, 2008).

These social control systems have been held to either complement or substitute contractual or collaborative governance arrangements typically associated with agency and stewardship theories, respectively. For example, empirical work by Pieper et al. (2008) found that goal alignment between owners and managers, a social control arrangement, may

replace the need for a board of directors to monitor managers, commonly proposed by agency theorists. Similarly, Mustakallio et al. (2002) illustrate how shared vision *qua* social control complements a board's task of advising management, as emphasised by stewardship proponents. Thus, by highlighting the role of social controls, relational perspectives add a social dimension to agency- and stewardship-based explanations of family business governance phenomena.

Although the foregoing theoretical perspectives have illustrated important facets of family business governance, the question of individual moral agency under blurred governance relationships remain unexplored (O'Boyle et al., 2010; Sharma & Sharma, 2011; Vazquez, 2018) and unproblematised. In this thesis, I argue that blurred governance relationships – through family involvement in governance and management – enable family owners to impress their values on the firm (Chrisman et al., 2003; Lähdesmäki, Siltaoja, & Spence, 2019; Salvato et al., 2019), potentially to the detriment of organisational members who might not share these values. I further problematise this issue in the section below.

2.2. Family involvement and ethical implications of impinging family values

This section builds on the foregoing review of the main theoretical approaches used to explore family business governance to interrogate more closely some of the ethical implications of blurred governance relationships. In particular, this section introduces the concept of family values as a linchpin in the intersection of blurred governance and family business ethics. This section will lead to a honing in on a particular issue in family business ethics in section 2.3, namely, that of individual moral agency.

One characteristic of blurred governance via family involvement in governance and management is that it enables family owners to impose their values on a firm. As Salvato et al. (2019, p. 779) posit, family involvement in governance and management “allows the family-dominant coalition to directly transfer values, goals and leadership styles to the firm and to directly influence its decision-making processes and organizational behaviour.” In family firms, an owning family's values (hereafter referred to as family values) often entail moral principles, standards, codes, and norms that guide behaviour by distinguishing between right and wrong (Aronoff & Ward, 2011; Duh, Belak, & Milfelner, 2010; Gagné, Sharma, & De Massis, 2014; Koiranen, 2002; Parada, Nordqvist, & Gimeno, 2010; Sharma & Nordqvist, 2008). Sources of family values include, *inter alia*, religion (Astrachan, Binz Astrachan, Campopiano, & Baù, 2020; James, 2006; Le Breton-Miller & Miller, 2009; Miller

& Le Breton-Miller, 2005; Nordstrom & Jennings, 2018); spirituality (Astrachan et al., 2020; Neal & Vallejo, 2008; Sorenson, 2013); educational background (García-Álvarez & López-Sintas, 2001); and kinship relations (Stewart, 2003). Despite originating within the family, family involvement in governance and management opens the way for their values to carry over to the firm (Arregle et al., 2007; Astrachan et al., 2002; Corbetta & Salvato, 2004a; Duh et al., 2010; Long & Mathews, 2011; Salvato et al., 2019; Sorenson, Goodpaster, Hedberg, & Yu, 2009).

Family values may be channelled in a firm through direct or indirect family involvement in governance and management. Drawing from Sorenson's (2014) review and synthesis of the family business literature on values, direct family involvement may be held to occur when multiple family owners work in the firm; founders incorporate family values in a firm; and succeeding generations of family members emphasise family values. Conversely, transmission of family values via indirect family involvement takes place when values are institutionalised in symbols, rituals, stories, heroes, and documents (Sorenson, 2014; see also Sorenson, 2013). Other indirect family values-embedding measures include the creation and pursuit of non-economic objectives (Zellweger, Nason, Nordqvist, & Brush, 2013) and financial goals (Le Breton-Miller & Miller, 2009).

The embedding of family values through direct and indirect family involvement portends a number of ethical implications for family firms and organisational members. In the following subsections, I explore how family involvement may infuse family values in a firm and provide an overview of potential ethical consequences thereof.

2.2.1. Direct family involvement

This subsection explores how blurred governance through direct family involvement infuses family values in a firm and the attendant ethical implications thereof. It does not aim to provide an in-depth review on particular methods of direct family involvement, but rather to touch on the main ethical issues stemming from different forms of direct family involvement. These issues will subsequently be explored in chapter 8 (Discussion) to the extent that they relate to the empirical findings presented in chapters 5– 7.

Direct family involvement in a firm, such as when family members dominate key organisational positions, is one way in which family values are woven into the fabric of a firm. The embedding of family values may be accelerated when multiple family owners hold managerial positions (Sorenson, 2013, 2014). For example, a clan-like firm culture may

emerge when family owners and managers are one and the same, in which behaviour is regulated by shared values, reciprocal norms, and relational contracts, rather than by formal, bureaucratic controls (Dyer & Whetten, 2006; Mustakallio et al., 2002). These “clan controls” (Moore & Mula, 2000, p. 92) reflect acceptable modes of interaction and standards of behaviour and act to keep conduct in line with underlying family values. An organisational environment in which shared values and norms prevail may produce interpersonal relations characterised by trust, empathy and warmth among employees, who often feel like they are part of the ‘extended’ family (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Miller & Le Breton-Miller, 2005; Miller, Lee, Chang, & Le Breton-Miller, 2009; Sirmon & Hitt, 2003; Spence, 2016; Uhlaner, van Goor-Balk, & Masurel, 2004).

However, proximate interpersonal relationships and social control in family firms may also pressure organisational members to forego their agency to think and act in ways contrary to prevailing norms and values (Sorenson, 2014). For example, deviations from family prescribed behaviours can attract social sanctions as families strive to restore stability and homeostasis within a firm (Lumpkin et al., 2008). Further, the imprinting of family values in a firm may lead organisational members to uncritically accept them as values become entrenched in established routines, rules, and principles (Kidwell et al., 2018), which dampens individuals’ proclivity to challenge them.

Among family members involved in management, the founder is considered to be uniquely positioned to incorporate family values into the firm (Denison, Lief, & Ward, 2004; Hall & Nordqvist, 2008; Schein, 1983; Schein & Schein, 2016; Sharma, 2004; Spence, 2016). Due to their long tenures and central position in the firm, founders often serve as authority figures and role models for those who follow them, such as employees, exerting considerable influence over their thoughts and behaviours (Adams, Taschian, & Shore, 1996; Kelly, Athanassiou, & Crittenden, 2000; Neal & Vallejo, 2008; Sharma, 2004; Sorenson, 2013). Additionally, the unification of ownership and control in the person of the founder may literally incorporate authority into his or her hands, affording the founder the authority to reward and punish behaviour that strays from espoused values (Carney, 2005; Tabor, Madison, Daspit, & Holt, 2019). A founder’s influence may continue even after his or her tenure, with the values they imprint on the firm carrying forward in subsequent generations (Barbera, Shi, Agarwal, & Edwards, 2020; Janjuha-Jivraj & Spence, 2009; Wright & Kellermanns, 2011). Indeed, some authors view founders as a source of

heterogeneity among family firms, given their ability to impress and perpetuate their particular value system upon the firm (e.g., García-Álvarez & López-Sintas, 2001).

Yet a founder's imposition of values may also create cognitive and behavioural rigidities that can negatively impact the firm (Abdelgawad & Zahra, 2020; Nason et al., 2019). For example, Abdelgawad and Zahra (2020) argue that founders' religious beliefs may imbue firms with insular religious identities that prescribe strict adherence to normative precepts. The imposition of a founder's religious beliefs upon a firm, in turn, may result in closed-mindedness, reluctance to engage with stakeholders, and refusal to change or innovate (Abdelgawad & Zahra, 2020). As Nason et al. (2019) point out, the ensuing detrimental effects may impact not only the first generation of a family firm, but also subsequent generations.

Indeed, researchers posit that family values can outlast a current generation when succeeding generations of family owners and managers continue to emphasise their importance in a firm (Barbera et al., 2020; Denison et al., 2004). One common method of ensuring values sustainability across generations noted in the literature is the socialisation of organisational members into family values (Adams et al., 1996; García-Álvarez, López-Sintas, & Saldaña Gonzalvo, 2002; Hall & Nordqvist, 2008). For example, empirical work by García-Álvarez et al. (2002) indicated that founders transmit their values to successors through socialisation processes involving both family and business socialisation. Whereas family socialisation entails values transmission to all founders' descendants during childhood, business socialisation involves only potential successors who are working in the firm (García-Álvarez et al., 2002). Hence socialisation processes through direct family involvement may contribute to the maintenance of family values across different generations of a firm (Denison et al., 2004; Hall & Nordqvist, 2008).

While emphasis on a common set of values may lead to stewardship-like behaviours in a family firm, an over-grooming of potential successors is liable to ensue in a heightened sense of entitlement among those considered for leadership positions. According to Kidwell, Kellermanns, and Eddleston (2012), this sense of entitlement may result in a 'Fredo effect', whereby incompetent, opportunistic and even unethical behaviours go unpunished, to the detriment of a family firm. Individuals who are not given important roles in a firm, for example, may feel a sense of betrayal to what they perceive as 'rightfully' theirs, and thus seek to avenge themselves by exploiting the business for personal gain (Eddleston & Kidwell, 2012). The reluctance of family members to sanction such behaviour in turn may lead to the downfall of a family firm (Kidwell et al., 2012).

The embedding of family values in a firm occurs not only due to direct family involvement in a firm, but also through a family's indirect influence over a firm's socio-cultural environment and objectives. I consider this in the subsection below.

2.2.2. Indirect family involvement

Akin to subsection 2.2.1, the review presented in this subsection surveys how indirect family involvement in governance and management can embed family values in a firm and thereby hold important ethical implications for family firms. Its focus is the same as the foregoing subsection, that is, to highlight ethical issues for subsequent discussion in the thesis, rather than to offer an extensive review of each mode of indirect family involvement.

Beyond direct family involvement, scholars have explored how families can influence a firm indirectly through rituals, stories, heroes, and symbols that embed family values in the firm. Rituals among family members who have a role in governing, managing, and/or working in the firm, such as family meetings, can serve to construct, share and reinforce common values that are later transferred to the firm (Bruess, 2011; Sorenson, 2014). For example, Sorenson et al. (2009, p. 241) contend that collaborative dialogues among family members, whereby participants iteratively reflect on, and engage with their beliefs, generate a "family point of view" underpinned by "the family's shared moral convictions". The authors maintain that this family point of view is apt to expand beyond the family circle to encompass other stakeholders, like employees, suppliers, and customers. In their empirical work, they found that collaborative dialogue reflective of family values was positively associated with the creation of formal ethical norms in the firm. Additionally, in a related study, high levels of family involvement (e.g., in ownership, governance, management) were shown to predict the frequency of ethical dialogue within the firm – or 'ethical focus', which in turn predicted firm performance (O'Boyle et al., 2010).

Stories have been hailed as a popular method used by family members to impart family values to the firm (Bruess, 2011; Jaskiewicz, Combs, & Rau, 2015; Jose Parada & Vilad s, 2010; Kammerlander, Dess , Bird, Floris, & Murru, 2015; Zwack, Kraiczy, von Schlippe, & Hack, 2016). A study by Zwack et al. (2016) on the transmission of values in family firms suggests that stories' intended morals and values are accurately captured by listeners, even when they do not share a common history with storytellers (e.g., the family). Consequently, stories provide "moral direction" and advise "what is 'right' and what is 'wrong'", influencing behaviour of organisational members (Zwack et al., 2016, p. 607). Many

stories talk about organisational heroes, typically founders, who are generally depicted as embodiments of cherished values. Founders can be portrayed as mythical heroes with a status akin to that of a religious prophet or God incarnate (Kammerlander et al., 2015; Labaki, Bernhard, & Cailluet, 2019; Roessl, 2005; Schein, 1983; Tabor et al., 2019; Vincent Ponroy, Lê, & Pradies, 2019). Heroes, in turn, are held to shape the behaviour of those who aspire to emulate them. Beyond founders and other family members, non-family employees may also be hailed as heroes for displaying exceptional conduct in line with family values, thereby serving as exemplars unto others (Sorenson, 2014). In short, family business scholars have acknowledged how family involvement leads to symbolically significant interactions, institutionalised in rituals, stories, and heroes, which incorporate family values into family firms (Denison et al., 2004; Kidwell et al., 2018). These interactions can act as constant reminders of family values, fostering relatively homogenous ways of thinking and interpreting the environment (Hall, Melin, & Nordqvist, 2001; Sorenson, 2014).

However, studies have suggested that not all organisational members respond favourably to a family's efforts to foster a collective socio-cultural context based on family values. For example, recent empirical work on family firm leaders' spiritual leadership, or the ability to "intrinsically motivate one's self and others so that they have a sense of spiritual survival through calling and membership" (Fry, 2003, pp. 694-695), concluded that spiritual leadership had different effects on family and non-family employees (Tabor et al., 2020). The authors found that spiritual leadership exacerbated the negative effect of work-family conflict on organisational commitment for non-family employees, but not for family employees. This implies that non-family employees "may not experience the same sense of meaning and belonging in the firm [brought about by spiritual leadership] as do family employees" (Tabor et al., 2020, p. 738). Thus, non-family employees may experience heightened stress and frustration when confronted with a family's attempt to impose their values on a firm.

In addition to symbolically significant interactions, a family may indirectly embed family values in a firm by shaping organisational non-economic objectives, which "do not have a direct tangible monetary value" (Zellweger et al., 2013, p. 232). As Chrisman, Chua, Pearson, and Barnett (2012, p. 268) put it, "non-economic goals are likely to reflect the values, attitudes, and intentions of a firm's dominant decision-making coalition." Since family involvement in governance and management makes the owning family a central part of the dominant decision-making coalition, it is well positioned to force values upon the firm through

the development of non-economic objectives (Chua et al., 1999; Revilla, Pérez-Luño, & Nieto, 2016).

Family values are held to motivate non-economic objectives at both at the family and firm levels (Zellweger et al., 2013). At the family level, non-economic objectives include, *inter alia*, family harmony, social status, and identity; preservation of family image and reputation; being proud of the firm; altruism towards family members. At the firm level, non-economic objectives are manifest in trusting relationships with stakeholders (Cennamo et al., 2012; Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014), responsible employee practices (Block, 2010; Déniz-Déniz, Cabrera-Suárez, & Martín-Santana, 2020; Zellweger et al., 2013), proactive engagement with the community and the environment (Sharma & Sharma, 2011). Drawing on organisational identity perspectives, for instance, Zellweger et al. (2013) posit that non-economic objectives get translated from the family into the firm to the extent that the family strives for a fit between family and organisational identities. For example, according to the authors, a strongly overlapping family-firm identity explains why families seek to preserve reputation (a family level non-economic objective) by behaving prosaically towards non-family stakeholders (a firm level non-economic objective).

Other authors argue that family values underpin a family firm's pursuit of non-economic objectives because it meets the family's affective needs in the form of socioemotional wealth (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). According to Berrone, Cruz, and Gomez-Mejia (2012, p. 262), the notion of socioemotional wealth "naturally stems from the reality of family businesses that suggest the existence of multiple salient goals that are driven by the values of the family..." Indeed, the perpetuation of family values throughout the firm is itself considered an affective need that, when met, increases a family's socioemotional wealth. Ultimately, insofar as non-economic objectives stem from family values, researchers posit that in family firms, "stakeholder relationships are not based solely on the desire to maximize profits, but also on building socio-emotional wealth and endorsing a fundamental set of moral principles established and perpetuated by family members" (Bingham, Gibb Dyer, Smith, & Adams, 2011, p. 570; see also Mitchell, Agle, Chrisman, & Spence, 2011).

Family values are held to influence family firms not only by underpinning its non-economic objectives, but also its *economic* ones. From a social embeddedness perspective (e.g., Granovetter, 1985), Le Breton-Miller and Miller (2009) argue that economic exchanges of the firm are embedded within the social system of the family. Through what they term 'normative-cultural embeddedness', family values, such as those stemming from "ethical

and religious beliefs”, shape the economic goals and strategies of the family firm (Le Breton-Miller & Miller, 2009, p. 1182). These authors propose, for instance, that family values associated with social responsibility will lead to stewardship-like goals in the firm (e.g., prioritising stakeholder needs). Conversely, individualistic family values will tend to produce agency-type prerogatives in the firm, encouraging organisational actors to view the firm as a vehicle for achieving self-serving economic benefits. This also implies that, in the same way that a *firm* is embedded in family values, so too are its key *actors*, such as executives. Accordingly, the greater an organisational actor’s indoctrination into the family’s values the more his or her behaviour is considered susceptible to family influence (Le Breton-Miller & Miller, 2009).

Although family values may be infused in a firm by informing its economic and non-economic objectives, scholars have noted how a family’s attachment to their values-based goals can also be morally contentious (Nason et al., 2019). For example, the drive to preserve family values in the firm may exacerbate bifurcation bias, by which non-family employees are held to be treated unfairly relative to family employees (Verbeke & Kano, 2012). Unfair treatment may materialise in HR practices that are skewed against non-family employees (Barnett & Kellermanns, 2006; Jennings, Dempsey, & James, 2018; Kidwell et al., 2018; Neckebrouck et al., 2018; Zientara, 2017). For instance, non-family employees have been argued to fare worse than family members in terms of recruitment and promotion (e.g., Chrisman, Memili, & Misra, 2014; Liu, Eubanks, & Chater, 2015); performance evaluations (e.g., Chua, Chrisman, & Bergiel, 2009); compensation (e.g., Memili, Misra, Chang Erick, & Chrisman James, 2013); and training and development (Jennings et al., 2018; Matlay, 2002; Neckebrouck et al., 2018). As Gibb Dyer (2006, p. 264) summarised, “[n]onfamily employees are [often] treated as ‘second-class citizens’ and are exploited by the family.” Thus the imposition of family values via economic and non-economic goals raises potentially important moral questions concerning their effects on non-family employees.

2.2.3. Family involvement and the ethicality of family firms

The foregoing review of the extant literature outlined the principal ethical implications of direct and indirect family involvement and the attendant impingement of family values in a firm. Yet, despite the potentially adverse effects of family involvement, family business ethics scholars seem to converge on the notion that family firms *tend* to be more ‘ethical’ than their

non-family counterparts (e.g., for a review see Tabor et al., 2019). For instance, in his review of the family business ethics literature, Vazquez (2018, p. 696) pointed to a “generally positive differential for family firms in contrast to non-family firms regarding business ethics.” Others have reached similar conclusions regarding the positive relationship of family involvement and ethics (e.g., Astrachan et al., 2020; O’Boyle et al., 2010).

A common explanation for why family firms are purportedly ‘more ethical’ than non-family firms hinges on the view that family firms have a vested interest in preserving family-based organisational reputation, which impels organisational members not only to avoid misbehaving but also to act pro-socially towards their stakeholders (Bingham et al., 2011; Cennamo et al., 2012; Gomez-Mejia et al., 2011). As O’Boyle et al. put it, since “individuals in these... [family] firms are likely to view the business as an extension of the family and themselves, they are unlikely to engage in behavior that would damage the firm’s reputation in any way” (2010, pp. 311-312).

However, such generalisations about the ethicality of family firms risk diverting attention away from the significant ethical implications deriving from complex relationships *within* a family firm. An overreliance on arguments associated with preserving family firm reputation, for example, may miss important ethical questions about potential inconsistencies between organisational narratives aimed at maintaining reputation and actual beliefs, behaviours and experiences inside a family firm (Payne, Brigham, Broberg, Moss, & Short, 2011). Blurred governance relationships in family firms, where family members play multiple and often conflicting roles, such as those of owner and manager, may compound the tensions of projecting a positive firm reputation, on the one hand, and negotiating different roles and identities, on the other.

Complex relationships within family firms are also downplayed by the tendency to assess family firm ethicality primarily *in relation to* non-family firms (e.g., Duh et al., 2010). This is because in such comparative studies, family firms are often treated as a homogenous group, obscuring more nuanced distinctions not only between family and non-family firms, but also among family firms themselves (Gagné et al., 2014). As a result, comparative studies may not fully capture the unique ethical implications arising from blurred governance relationships *qua* potential source of heterogeneity among family firms (Tabor et al., 2019).

Although certain authors have challenged the purported ethicality of family firms (Tabor et al., 2019), an interrogation of the mechanisms by which blurred governance infuses a firm with family values that in turn affect individuals’ moral agency to enact their own values appears to be missing. This shortfall is significant because, as argued in section 2.2, blurred

governance via family involvement may lead to complex ethical issues across multiple layers of a family firm. A multilevel analysis of how family values become embedded in a firm and subsequently how organisational members deal with ethical issues in the context of blurred governance relationships is therefore paramount. This thesis addresses this need by presenting the concept of individual moral agency as a useful starting point to explore the effects of imposed family values upon organisational members.

Given that, as far as I am aware, the notion of individual moral agency has yet to be explored in family business ethics studies, I turn to the broader business ethics literature to explore how individual moral agency has been typically construed.

2.3. Individual moral agency in business ethics research

Business ethics scholars have typically explored the topic of moral agency – understood by Wilcox (2012, p. 86) as “the agency exercised by organizational actors in pursuit of ethical practice” – from varying philosophical and psychological perspectives (Watson, Freeman, & Parmar, 2008; Wilcox, 2012, 2016). Given the vast array of literature, what is offered here is an account of the main conceptual foundations of moral agency, and ensuing empirical and theoretical works, as applied in organisational research. Further, given this thesis’ focus on moral agency at the individual level, I will not consider debates on corporate or collective moral agency.

2.3.1. Philosophical approaches to moral agency

Philosophical approaches to moral agency in the business ethics literature have often drawn from MacIntyre’s (2007) rendering of virtue ethics (e.g., Beadle, 2017; Beadle & Moore, 2006; Moore & Beadle, 2006; Nielsen, 2006; Wilcox, 2012, 2013, 2016). According to MacIntyre (1999, p. 313), moral agency is manifest in the human capacity to critically “question the hitherto unquestioned” and thus behave in ways that may potentially counter prevailing social norms. He posits three pre-conditions necessary for the exercising of moral agency (MacIntyre, 1999). These pre-conditions are explored below.

The first pre-condition states that individuals ought to understand themselves as endowed with qualities of character or virtues that belong to them *qua* human beings and not *qua* role-players. Moral self-identity, rather than social roles and context, then, is the basis upon which moral agents can critically engage with the world (MacIntyre, 1999). The

second pre-condition refers to the need for moral agents to engage in interpersonal relationships. This is because social situatedness allows “one’s reflective judgements to emerge from systematic dialogue with others and [be] subject to critical scrutiny by others” (MacIntyre, 1999, p. 321). Relatedly, in the third pre-condition, moral agents must understand themselves as accountable to others not just in relation to their role expectations but in respect of what is required of them *qua* individuals possessed with virtues (MacIntyre, 1999). Thus, for MacIntyre, these pre-conditions endow moral agents with the capacity to critically interrogate the social structures within which they are embedded: “Strip away those social relationships and that mode of self-understanding and what would be left would be a seriously diminished type of agency, one unable to transcend the limitations imposed by its own social and cultural order” (MacIntyre, 1999, p. 317).

Business ethics scholars have employed MacIntyrean formulations of moral agency to explore whether, and under what conditions, individuals are able to exercise moral agency in the context of modern organisations (Beadle, 2017; Moore, 2017). For example, Robson (2015) explored the career narratives of banking leaders and found that they implicitly drew on the virtues of constancy and integrity, identified by MacIntyre (1999) as paramount for moral agency, throughout their working lives. By setting “limits to flexibility of character” (MacIntyre, 1999, p. 318), these virtues allowed leaders to apply their moral agency to resist changes in the banking system, created by “external forces more powerful than themselves, in the form of organisations, new ascendant cultures or powerful others” (Robson, 2015, p. 124). The display of moral agency in opposition to change was also reported in Conroy’s (2010) study of healthcare managers in the midst of reform. Employing a narrative approach to examine what managing change meant for healthcare managers, the author found that practitioners enacted moral agency by defending their public service ethos and rejecting externally imposed values. Other studies have pointed to how individual moral agency can be constrained by social structures. For instance, Hine (2007) examined senior managers of publicly listed corporations and found that their moral sensibility, as a component of agency, was constrained by the commercial imperatives and organisational dynamics in pursuance of shareholder value. Managers were caught between “the spheres of private morality and public organisation”, in such a way that the organisation was “governed in a different way than senior managers would perhaps govern themselves as private individuals” (Hine, 2007, p. 368).

Although these studies refer to impinging social structures, they stand to benefit from a deeper sociological explication about the nature of these structures, and how they emerge

to enable and constrain individual moral agency. Indeed, for MacIntyre, “a moral philosophy... presupposes a sociology” (MacIntyre, 2007, p. 32). The sociological implications of moral philosophy are picked up by Wilcox, who proposes that moral agency comprises two dimensions, namely, “the *moral*, the investigation of which is a philosophical endeavour, and *agency*, the investigation of which is typically a *sociological* endeavour” (2012, p. 87, original emphasis). According to this formulation, moral agency is held to be a *relational* phenomenon or “a function of salient social relations and of an agent’s relation to the social structures within which they are situated” (Wilcox, 2016, p. 269; Thomson & Jones, 2017). Therefore, a more fulsome account of moral agency requires due consideration of *social* theory (Wilcox, 2016).

Some scholars have explicitly considered how MacIntyre’s moral philosophy intersects with contemporary social theory. These authors have typically resorted to (neo)institutional perspectives for their analyses (Wilcox, 2016). For example, in her study of human resource managers, Wilcox (2012, p. 93) reported that although individual moral agency was threatened by “institutional features of Anglo-American market capitalism”, HR managers were still able to exercise their moral agency by turning to professional HRM norms and engaging in conversations whereby they could critically question current practices. She concludes that “while this structural context constrained the agency... it did not completely erode their potential for agency” (Wilcox, 2012, p. 93). Bartram, Cavanagh, Sim, Pariona-Cabrera, and Meacham (2018) support Wilcox’s (2012) findings in the context of management of workers with disability, whereby managers and supervisors exercised moral agency by re-interpreting externally-imposed and commercially-driven HRM policies for the benefit of vulnerable employees. Likewise, Moore and Beadle (2006) submit that constraining, capitalist logics might impede individual moral agency and thereby organisational virtue. A similar line of reasoning is adopted by Moore and Grandy (2016) who, despite not referring directly to moral agency, highlight the potential for market-based structures to threaten organisational morality, in terms of purpose, goods, and virtues.

While the foregoing authors primarily address *external* institutional structures, such as the market, they also acknowledge the role of *internal* organisational structures – like governance structures (Moore, 2012) and relational spaces (Wilcox, 2012) – that may counteract institutional pressures. For example, Wilcox (2012) argues that relational spaces *qua* organisational structure may enable individuals to critically engage with constraining market-based institutional logics. However, as discussed earlier, family involvement in governance and management may give rise to organisational structures that cause

individuals to experience a sense of impeded moral agency. This may be the case even when family-induced structures (e.g., a family's religious values) at face value oppose capitalist institutional pressures. Hence a more nuanced explication of how organisational structures can both enable and constrain individual moral agency is warranted.

2.3.2. Psychological approaches to moral agency

In addition to moral philosophy, organisational and management scholars have resorted to psychological accounts of moral agency, typically calling on Bandura's social cognitive theory (Bandura, 1986, 1991, 2001, 2012; for a review, see Newman, Le, North-Samardzic, & Cohen, 2019). According to the social cognitive perspective, moral agency is construed as the mediatory mechanism by which moral thought is translated into moral action (Bandura, 1991, 2001). This mediation occurs through a self-regulatory process, whereby individuals monitor and judge their own conduct in relation to their circumstances and personal moral standards, and regulate their actions through the imposition of positive and negative self-sanctions. Whereas positive self-sanctions provide personal satisfaction and self-worth for conduct that is aligned to one's moral standards, negative ones bring self-condemnation for violating them (Bandura, 2002a, 2006). Consequently, it is the "capacity for self-sanctions gives meaning to moral agency... [since they] keep conduct in line with personal standards" (Bandura, 2001, p. 9). Under this view, the exercise of moral agency can be inhibitive or proactive; the former expressed by the power to refrain from behaving unethically, and the latter by the power to behave ethically (Bandura, 2001).

According to Bandura (2002a), psychological factors affect how individuals selectively activate or disengage from self-sanctions. For instance, self-sanctions can be disengaged by redefining unethical conduct in praiseworthy terms through *moral justification*, *advantageous social comparison*, and *sanitising language*. In addition, actions can be decoupled from personal moral standards by *displacing* and *diffusing responsibility* for one's actions. Moral disengagement may also involve *dehumanising* and *attributing blame* to the victim, as well as *minimising the consequences* of the action. Organisational structures may assist or hinder self-sanctions and thereby the exercise of moral agency. For example, White, Bandura, and Bero (2009) argue that organisational structures, such as convoluted authorisation levels in corporate settings, are conducive to such moral disengagement practices as diffusion and displacement of responsibility. Yet, social structures do not operate deterministically, for individuals may deploy their agency to

counter structural pressures. As Bandura (2002a, p. 116) maintains, “socio-structural practices create conditions conducive to moral disengagement, but people are producers as well as products of social systems. They have the agentic capabilities to change the nature of their social systems.”

Scholars applying social cognitive perspectives have elucidated how organisational structures can both enable and constrain moral agency. For example, a study by Barsky (2011) suggested that individual participation in goal-setting, which is associated with notions of fairness, organisational justice, and accountability, limited the effect of individual rationalisations on potentially carrying out unethical behaviour. The author concludes that workplace climate and managerial values may limit employee moral disengagement and thereby unethical behaviour. Conversely, Galperin, Bennett, and Aquino (2011) proposed that social isolation of high from low status groups, brought about by such organisational structures as corporate hierarchy, may lead high status group members to show insensitivity to the needs of low status members, which in turn may precipitate moral disengagement and unethical behaviour.

Other authors highlighted how moral agency can be a product of multiple contingencies. For instance, Kish-Gephart, Detert, Treviño, Baker, and Martin (2014) found that environmental prompts that remind individuals about potential harm to stakeholders reduced individuals’ propensity to morally disengage when personal gain incentives were moderate. However, the effect of environmental reminders was nullified when opportunities for self-interested gain through monetary rewards were high. Similarly, Shu, Gino, and Bazerman (2011) indicated that moral disengagement increased when opportunity to cheat was present due to lack of monitoring structures. Yet, individuals who read or signed an honour code benefited from moral reminders, which led them to morally disengage less. This finding is consistent with the proposition that employee perceptions of strong ethical infrastructures in organisations, comprising both formal and informal systems, may reduce individuals’ propensity to rationalise and engage in blatantly self-interested unethical behaviours, such as bribery (Martin, Kish-Gephart, & Detert, 2014). Counterintuitively, however, perceptions of strong ethical infrastructures may also foster moral disengagement if individuals aim to preserve a positive self-image and reduce their cognitive burden by uncritically accepting prevailing norms (Martin et al., 2014).

Given its philosophical and psychological appeal, some scholars have explored the concept of moral agency by combining both virtue ethics and social cognitive perspectives. For example, a qualitative study by Hiekkataipale and Lämsä (2019) indicated that certain

features in an organisation's culture, like transparency and discussability, enabled middle managers to exercise moral agency. In the same vein, the authors indicated that reduced perceptions of corporate virtues can foster an environment that breeds moral disengagement. Likewise, Weaver (2006, 2017) draws on virtue theories and social cognitive approaches to advance the pivotal role of moral identity. In this view, being a moral agent is tantamount to having a virtuous disposition connected to moral identity, the centrality and salience of which, in turn, influence individuals' propensity to regulate their cognition and behaviour. Weaver (2006) also posits that institutional logics can influence moral identity in organisations, reinforcing or undermining individual identity beliefs, and encouraging or discouraging centrality and salience of moral identities. As such, business leaders have a role in not only furnishing the internal conditions for moral agency to thrive in their organisations, but also in influencing societal-level institutional settings so as to make them more amenable to organisations that appreciate moral agency (Weaver, 2006).

Within organisational settings, the interplay of situational and psychological factors has led some scholars to construe moral agency as a 'connected' phenomenon, whereby an individual's capacity to pursue ethical practice is held to be dependent upon social interaction (Watson et al., 2008). This perspective is advanced as an alternative to 'traditional' accounts of moral agency that depict individuals as acting autonomously on their own values (Thomson & Jones, 2017; Watson et al., 2008). In their conception of a socially situated and interactive, rather than atomistic, moral agent, Watson et al. (2008) call for deeper investigations on how organisational contextual factors offer opportunities and constraints for individuals to act according to their moral principles.

Therefore, although social cognitive accounts provide insight into how moral agency is affected in the workplace, a number of factors associated with the interaction of individuals and social structures remain unexplored. First, in contrast with *individual-level factors* that affect moral agency, such as locus of control (e.g., see Detert, Treviño, & Sweitzer, 2008), research on how *organisational structures* affect moral agency remains limited (Detert et al., 2008; Galperin et al., 2011; Johnson & Ronald Buckley, 2015; Moore, Detert, Klebe Treviño, Baker, & Mayer, 2012; Newman et al., 2019). Second, scholars have tended to focus on the *constraining* effects of organisational structures on moral agency, exploring how individuals *morally disengage* from their personal standards. Within this line of enquiry, the literature has privileged questions around how individuals morally disengage to *actively commit* unethical behaviour, rather than *passively refrain* from ethical conduct (Newman et al., 2019), which may indicate a constraint of moral agency. Even less attention has been

devoted to how organisational structures *enable* individuals to keep *morally engaged* in the workplace (Moore, 2015; Newman et al., 2019). For example, little is known about how organisational policies and interventions promote moral engagement or prevent moral disengagement (Newman et al., 2019). This knowledge gap is surprising, for Bandura's social cognitive theory deals with both moral disengagement *and* engagement, the latter reflecting the exercise of moral agency in its inhibitive and proactive forms (Bandura, 2001), as discussed earlier.

Although social cognitive theory is predicated on the assumption that human agency simultaneously mediates and is shaped by social structures (Bandura, 2001, 2012), little has been done by way of explicating how this plays out in the context of business organisations (an exception is Weaver, 2006). In other words, it is unclear how social cognitive approaches to moral agency in organisations account for the interplay of structure and agency to produce social outcomes.

The foregoing literature review suggests that both philosophical and psychological accounts of moral agency in the workplace are ripe to be enriched by a deeper, sociological exploration of how organisational structures enable and constrain moral agency. Doing so requires a (re)turn to the ontological premises on which both agency and structure are grounded, which is considered next.

Chapter 3: Analytical Framework: Moral Agency as an Agentic Project

This chapter outlines the approach taken in this thesis to unpack how structure and agency interact at the organisational level. It proposes an analytical framework based on Archer's (2003, 2007a) formulation of critical realism, which is predicated on the role of human reflexivity in mediating the influence of structure upon agency. In translating Archer's ideas to *organisational* structure and *moral* agency, I introduce the concept of individual moral agency as an agentic project expressive of individuals' moral concerns that is liable to be enabled and constrained by socio-cultural forces within a firm. Hence, this chapter furnishes the analytical framework within which the interplay of blurred governance and individual moral agency in family firms will be explored.

This chapter begins by contextualising extant debates on the ontological status of structure and agency by highlighting three main perspectives or schools of thought. It then illustrates how each of these perspectives leads to what Archer (1995) terms 'conflationary' theorising, rendering them ultimately unable to fully explicate how structure and agency interact. An alternative approach in Archer's (1995, 2003, 2007a) reading of critical realism is subsequently presented as a means to overcome the limitations of conflationism. The chapter then introduces an Archerian critical realist framework to examine this thesis' underlying research problem, namely, the imposition of family values upon organisational members through blurred governance relationships in family firms. Finally, this thesis' research questions are explicitly stated in the context of its Archerian critical realist framing,

3.1. Structure, agency, and mediation

A perennial debate in contemporary social and organisational theory centres on the relationship of structure and agency (Reed, 1997). Scholars have traditionally approached this question from three main perspectives: social fact; agency; and mutually constitutive (Brock, Carrigan, & Scambler, 2016; Danermark et al., 2002). According to what has been termed the 'social fact' perspective, typically associated with Comte and Durkheim, society is explained by reference to social structures that are held to transcend the totality of individuals that compose it (Archer, 1995). Because 'social facts' are irreducible to human agency, this position renders individual agents devoid of any autonomy to oppose social structures, which unilaterally and deterministically impinge upon them to shape their

behaviour (Brock et al., 2016). In direct contrast, the 'agency' perspective, found, for example, in the works of JS Mill and Weber, builds upon the premise that society is an aggregation of individual agents (Archer, 1995; Chernilo, 2017). Social structures are depicted as a by-product of agency, voluntaristically deployed by autonomous individuals pursuing their own goals and objectives (Danermark et al., 2002). An attempt to reconcile these conflicting perspectives characterises the third 'mutually constitutive' perspective, whose major proponent is Giddens, but also includes Bourdieu and Beck (Archer, 2007a; Chernilo, 2017; Danermark et al., 2002). This view holds that structure and agency mutually constitute each other, such that structures cannot exist without agency; instead, they are a medium as well as an outcome of social action (Brock et al., 2016; Danermark et al., 2002). From this third standpoint, structure and agency are treated as fundamentally inseparable and can be conceptualised only in relation to one another.

However, all three major perspectives have been accused of 'conflating' structure and agency, which undermines their explanatory purchase on how structure and agency *interact* (Archer, 1995, 1996). In the social fact perspective there is 'downwards conflation' insofar as all causal influence flows from social structures to human agents, the latter being merged with the former such that agents cannot be distinguished as operating independently from their structural positionings (Archer, 1995; Danermark et al., 2002). In the agency perspective, conflation occurs 'upwards' because structures materialise only as a result of agential doings, being thereby incapable of acting back to influence individual agents. Consequently, in both paradigms, structure and agency are rendered mere epiphenomena of each other. The third perspective, in turn, leads to 'central conflation', which denies autonomy to *both* structure *and* agency, for they are interpolated in each other's definition and thus exist solely in combination or as an amalgam (Archer, 1995).

This ontological conflation of structure and agency is problematic because it skews both methodology and theory-building: methodology, insofar as what 'reality' is held to be influences how it is studied; theory development, since how it is studied affects subsequent explanatory accounts (Danermark et al., 2002; Sayer, 2010). Indeed, ultimately, "[a]ll social theory is ontologically shaped and methodologically molded even if these processes remain covert and scarcely acknowledged by the practitioner" (Archer, 1995, p. 58).

To avoid conflationary pitfalls, scholars have specifically turned to critical realist social theory, which is based on the premise that "the causal power of social forms is mediated through human agency" (Bhaskar, 2014[1979], p. 125). In her interrogation of this mediatory process, Margaret Archer has put forward what has become a dominant view among critical

realist scholars (Porpora, 2016), namely, that it is human *reflexivity* that mediates the effects of structures upon individual agents (Archer, 2003, 2007a). As Archer (2007c, p. 42) writes: “Reflexivity performs this mediatory role by virtue of the fact that we deliberate about ourselves in relation to the social situations that we confront, certainly fallibly, certainly incompletely and necessarily under our own descriptions, because that is the only way we can know anything.” Reflexive mediation is exercised through what Archer terms the ‘internal conversation’, or conscious deliberations about the self in relation to society, and vice-versa, by which human beings make their way in the world (Archer, 2003, 2007a).

For Archer, it is the human power of reflexivity that allows active agents to formulate, revise, and deploy ‘projects’ in society, that is, “any course of action intentionally engaged upon by a human being” (Archer, 2007a, p. 7). Broadly defined, projects can range from seeking employment through to avoiding death (Archer, 2003). Individuals pursue projects because they are held to be motivated to attend to their reflexively defined set of ‘concerns’, such as personal values, that informs who they are and what they care about, and which impels them to take action in the world (Al-Amoudi, 2017; Archer, 2003).

Projects play an important role in the mediation of structure and agency because it is only when agents deploy projects that *agents* are liable to be enabled and constrained by structures. This is so because “for anything to exert the power of a constraint or an enablement, it has to stand in a *relationship* such that it obstructs or aids the achievement of some specific agential enterprise” (Archer, 2003, p. 5, original emphasis). In other words, agency is enabled or constrained *to the extent that* projects are enabled or constrained, such that “if, *per impossible*, no subject ever conceived of any project, he or she could be neither constrained nor enabled” (Archer, 2007a, p. 11, original emphasis). Indeed, the *potential* for social structures to enable and constrain remains unrealised unless and until *activated* – at which point they exercise their causal powers of facilitation and obstruction – by the projects which individuals define and seek to accomplish (Archer, 2007a).

Crucially, however, enablements and constraints are only such insofar as agents *interpret* them as such, under their own subjective descriptions, as they evaluate the success (anticipated or actual) of their courses of action in terms of addressing their concerns (Archer, 2003, 2007a). This also implies that a project need not be actuated, but merely conceived, to attract structural enablements and constraints. As Archer put it, “a constraint need not have impinged or impacted, it could just be foreseeable” (Archer, 2007b, p. 155). Structural impingement, then, occurs *at the level of human reflexivity* grounded on the pursuit of one’s concerns in the form of social projects.

The interrelationship between reflexivity and agentic projects set out by Archer (2003, 2007a) allows me to conceive of *moral agency* as one such project that is amenable to structural enablements and constraints. In particular, in this thesis, I construe moral agency as a social project expressive of individuals' *moral* concerns – or those relating to ideas about right and wrong.² Conceived thus, moral agency engenders those 'ultimate' concerns held by individuals to articulate that which they value the most, which, as Archer (2007a) notes, converges with MacIntyre's own notion of internal goods (MacIntyre, 2007). Following Archer, then, *moral* agency can be held to be enabled and constrained to the extent that individuals interpret their agentic projects, expressive of their *moral* concerns, as facilitated or obstructed by impinging structures. This extends Wilcox's (2012) formulation of moral agency by explicitly incorporating a reflexive dimension that is based upon action or inaction *vis-à-vis* one's moral concerns. Accordingly, moral agency is defined in this thesis as: *the extent to which individuals reflexively understand (or foresee) their moral concerns to have been (or be) addressed as a result of courses of action intentionally entertained for that purpose*. The ontological status of both agency and structure that informs this thesis will be further explicated in chapter 4.

3.2. Archerian critical realism in (family) business ethics

Archer's substantive contributions to questions of agency and reflexivity has underpinned a surge of organisational research identifying with critical realism in recent years (Al-Amoudi & O'Mahoney, 2015; Al-Amoudi & Willmott, 2011). Empirically, many of these studies explore how prevailing organisational structures associated with power relations, authority structures, and bureaucratic processes impinge upon individual reflexivity and thereby agency. For example, Herepath (2014) noted how role-based power disparity and overt bureaucratisation in healthcare organisations limited individuals' reflexive powers to formulate strategic projects. Similarly, Delbridge and Edwards (2013) found that power relations, bureaucratic processes, and authority structures conditioned individuals' agency

² Although Archer (1995, 2003) defines agents as a *collectivity* and differentiates between primary agents and corporate agents, this thesis is focused on *individual* agency as a product of individuals' reflexive deliberations about their concerns in relation to their circumstances. This position is based on the recognition that an agentic project can be either an individual and/or a collective endeavor (Archer, 2003).

to innovate within the luxury yacht industry. Individuals' reflexive deliberations were also seen to be shaped by resources derived from organisational positions, such as authority, which allowed them to mobilise change in professional service firms (Tuominen & Lehtonen, 2017).

Despite prior calls (e.g., Taylor, 2006), efforts to apply Archerian critical realism in the family business literature have been less forthcoming. An exception is Edwards and Meliou (2015), who in their conceptual work conceive leadership in family firms as a function of interacting reflexive actors, organisational contexts, and social orders. The authors critique the purported tendency of family business scholars to explain family leadership behaviour solely based on governance and management complexities of family firms. Instead, they draw on Archer (2003) to argue that family leadership is conditioned upon the reflexive deliberations of actors engaging with multifaceted structural contexts that provide opportunities and constraints for action (Edwards & Meliou, 2015).

However, the foregoing work has stopped short of considering the enabling and constraining effects of structure upon individual moral agency in organisations. This is surprising given Archer's proposition that it is through reflexivity that social forms exert their causal (and hence potentially oppressive) powers upon human subjects (Al-Amoudi, 2017; Archer, 2003, 2007a, 2012). As far as I am aware, this study is amongst the first to apply an Archerian critical realist approach to the business ethics literature in general and family business ethics in particular.

To do so, this thesis adapts Archer's treatment of the mediatory process between structure and agency to *organisational* structures³ and *moral* agency thus:

1. Organisational structures objectively shape the context in which individuals operate, and possess enabling and constraining powers in relation to:
2. Individuals' subjectively defined set of moral concerns.
3. "Courses of action are produced through individuals' *reflexive deliberations*, who *subjectively* determine their practical projects in relation to their *objective* circumstances" (Archer, 2007a, p. 17, original emphasis).

³ The concept of structure will be further elaborated in chapter 4.

This adaptation of Archer's model is consistent with non-conflationary approaches to social theorising because it avoids eliding agential and structural factors (see section 3.1). Rather, structures are held to entail a degree of socio-cultural objectivity by shaping the circumstances confronted by individuals similarly placed (Archer, 2003). This means that individuals often find themselves in situations that are not of their own making, and are therefore liable to face an 'objective' set of consequences for choosing to act in a certain fashion (Archer, 2003). In family firms, for example, organisational members may feel pressured to adhere to family-based values *qua* organisational structure. This socio-cultural pressure is held to be 'objective', rather than 'subjective', because organisational members may pay an objective price (e.g., lose their jobs) if they fail to comply (Sorenson, 2014).

However, objective impingement is not tantamount to determinism; individual action is conditioned, but not dictated, by socio-cultural factors. Causal powers of organisational structures are only activated in relation to individuals' set of concerns (Archer, 2003) which, with respect to *moral* agency, are of a moral nature. Unlike organisational structures, individuals' reflexive deliberations entail a degree of 'subjectivity' insofar as they are a function of their peculiar mental processes used to inform how they prioritise the concerns they seek to address and how they might go about doing so (Archer, 2000). It is these 'subjective' features of reflexivity that render individuals causally efficacious in terms of resisting socio-cultural pressures, explaining why they act so and not *otherwise*. As Archer (2003, p. 52) put it, "agential subjectivity mediates socio-cultural objectivity." In the context of family firms, for example, organisational members may still opt, under certain circumstances, to *refrain* from adhering to family-based values or goals (Chua et al., 2009), even though they may incur the 'objective' cost of being made redundant.

Moral action is construed as an outcome of individuals' reflexive deliberations about which projects are expressive of their moral concerns and within their means to deploy (Archer, 2003). Once defined, projects are subject to being facilitated or impeded as individuals confront impinging structures, generating a sense of enablement or constraint by virtue of the meaning individuals ascribe to their actions (Ackroyd & Fleetwood, 2000; Archer, 2003; Wilcox, 2012). Therefore what is important is the *lived experience* of individuals as they seek to exercise moral agency in situated contexts (Thomson & Jones, 2017). An example of this in family firms is the sense of enabled moral agency that organisational members might potentially experience by partaking in prosocial behaviour towards family firm stakeholders (Cennamo et al., 2012).

As such, this thesis adapts Archer's (2003, 2007a) model for the mediation of structure and agency to suit the context of organisational structures and individual moral agency in family firms. This model also underpins the study's *a priori* metatheoretical assumptions in examining how blurred governance relationships may generate a sense of enablement and constraint in organisational members seeking to address their moral concerns.

3.3. Statement of research questions

By adopting a problematising, rather than gap-spotting (Alvesson & Sandberg, 2011) approach to generating the research problem, I argued that the ethical implications of blurred governance relationships ought to be investigated relative to their effects on individual moral agency. I also maintained that extant accounts of individual moral agency in organisational research can be better understood through an Archerian critical realist lens that situates agency relative to structure. This problematisation leads to the study's central research question: *How do blurred governance relationships enable and constrain individual moral agency in family firms?*

I respond to the central research question by considering two sub-questions. The first is: *How do blurred governance relationships and individual moral agency manifest in a family firm?* Answering this question provides the empirical groundwork upon which to understand blurred governance as a progenitor of (organisational) structure and moral agency as an outcome of (personal) agency in the context of family firms (Archer, 2003; Porpora, 1989). Charting the different empirical expressions of blurred governance and individual moral agency permits one to ascertain the effects of the former on the latter within a structure-agency dialectic.

The second research sub-question stems directly from this thesis' critical realist orientation: *What are the mechanisms whereby, and conditions under which, blurred governance relationships affect individual moral agency?* This question focuses on positing the generative mechanisms associated with blurred governance that facilitate and impede individual moral agency under diverse contingencies. From a critical realist perspective, it sheds light on the conditions under which the causal powers of structure impinged upon individuals' reflexive deliberations when pursuing ethical practice, thus rendering them enabled or constrained (Archer, 2003, 2007a; Wilcox, 2012). In the next chapter, I elaborate

on critical realist metatheory and explore how an Archerian reading of critical realism informed this study's research design.

Chapter 4: Research Design

Following the review of the conceptual and empirical literature on family involvement in governance and management in chapter 2, I contended that there are grounds for a critical examination of individual moral agency in family businesses. Moreover, I argued that extant philosophical and psychological accounts of moral agency in organisational research stand to benefit from a deeper, sociological account of the relationship between structure and agency in organisational settings. In this chapter, I expand upon the proposition made in chapter 3 that such a sociological account can be provided by assuming a critical realist metatheoretical position or ‘philosophy of science’ (Sousa, 2010), which will inform the overall research design of this thesis.

This chapter begins by providing an overview of critical realist ontological and epistemological assumptions that underpin this study’s examination of structure and agency as independent but interrelated phenomena (Archer, 2007b), and thus of how moral agency might be enabled and constrained by organisational structures. Next, it describes the selection criteria used to identify the case organisation and the empirical setting on which this study is based. After outlining how access to the case organisation was achieved, this chapter subsequently addresses the different research methods employed to mobilise and analyse data. The final section remarks on my own experience as a researcher, and how I dealt with conflicting identities and tensions as the fieldwork unfolded.

4.1. Metatheory

The purpose of this section is to elucidate how the methodology employed to answer this thesis’ research questions derives from its underlying critical realist ontological and epistemological assumptions. To do so, this section will first address the metatheoretical positions associated with critical realism before considering methodological issues.

Ontology refers to a statement about “the nature or substance of the world, that is, the (kind of) ‘things’ that exist in the world”, and is thus the “overriding metatheoretical dimension that strongly influences epistemology, methodology...” Sousa (2010, p. 460). Given the significance of ontology for scientific enquiry, then, it is worthwhile further

unpacking the ontological assumptions concerning the nature of structure and agency introduced in chapter 3.

Critical realists assume a differentiated and stratified social reality whose existence is largely independent of our knowledge of it (Al-Amoudi & O'Mahoney, 2015; Danermark et al., 2002; Sayer, 1999). In his foundational book, *A Realist Theory of Science*, Bhaskar (2008) maintains the ontological differentiation between three overlapping domains of reality, namely, the domains of the *real*, the *actual*, and the *empirical*. The *real* domain comprises objects – physical, ideational, social, etc. – whose structures endow them with the capacity to effect behaviour. This capacity or causal power of structured objects is metaphorically termed generative mechanisms, defined as “that which can cause something in the world to happen” (Danermark et al., 2002, p. 55) or “a way of acting of a thing” (Bhaskar, 2008, p. 42). As Sayer summarised, “the real is the realm of objects, their structures and powers” (1999, p. 11). Objects and their attendant generative mechanisms remain ‘real’ regardless of whether or not their causal powers are activated (Archer, 2003, 2007b; Bhaskar, 2008). The extent to which they give rise to events is contingent upon specific conditions or circumstances, such as other counteracting mechanisms, which may or may not be present. Thus critical realists are interested in *tendencies* or potential behaviour, recognising the social world as an open system in which the effects ensuing from the exercise of a power may not be known *a priori* (Sousa, 2010).

Similarly, the *actual* domain of social reality refers to events that occur when objects *do* exercise their causal powers, regardless of whether or not we experience them (Sayer, 1999). Events are thus held to be expressions of those mechanisms that have combined to “generate the flux of phenomena that constitute the actual states and happenings of the world” (Bhaskar, 2008, p. 37). As a result, unlike generative mechanisms, which are seldom directly observable but no less real because causally efficacious, events are more likely to lend themselves to empirical observation (Easton, 2010). The *empirical* domain, by contrast, is defined as the realm of experience (Sayer, 1999). It reflects the notion that not every event in the actual domain is empirically identifiable (Danermark et al., 2002). Whereas structures, mechanisms, and events can be considered *intransitive* objects of knowledge, since their existence does not depend on observation, empirical observations are *transitive* in that they rely on socially constructed interpretations of reality (Bhaskar, 2008). In other words, antecedently established facts, theories, concepts, and models about the world are liable to be contestable, fallible, and changeable (Bhaskar, 1998; Danermark et al., 2002).

In addition to being differentiated, critical realists also see reality as stratified, whereby each stratum is held to be composed of mechanisms from underlying strata (Bhaskar, 2008). This composition of mechanisms manifests in the emergence of qualitatively new objects at a higher stratum, whose properties and causal powers are irreducible to those belonging to lower strata. For instance, physical mechanisms in one stratum combine to form chemical mechanisms in another, biological at a subsequent level, psychological at a higher, and finally social mechanisms at the uppermost stratum (Danermark et al., 2002). As mechanisms combine, distinct properties and powers emerge at each subsequent stratum that are irreducible to any preceding one (Sayer, 2010).

Within this differentiated and stratified worldview, it is possible to chart the ontological status of structure and agency. A critical realist perspective maintains that both structure and agency exist as separate strata because they have emergent properties irreducible to each other (Archer, 2007b). Emergent properties of structures can be classified as either *structural* or *cultural*: whereas the former emerges from human relations among social positions (e.g., institutions, organisations, rules; Porpora, 1989), the latter arises from logical relations among ideational objects (e.g., theories, doctrines; Archer, 2003). Agency, in turn, is held to be a function of *personal* emergent properties that depend on human mental activities (e.g., thinking, reflecting, intending; Archer, 2000, 2003).

Although ontologically distinct, structure and agency possess causal powers that affect each other when activated; thus, structure can enable and constrain agency, while agential reflexivity can lead to actions that reproduce or transform social forms. Consequently, structure is seen to entail a degree of *objectivity* because it shapes the situations in which individuals, whether consciously or not, find themselves. Conversely, agency is argued to involve a measure of *subjectivity* since situations affect individuals based on how they are subjectively interpreted and hence mediated through human reflexivity (Archer, 2007b). As Archer put it, “reflexive deliberations constitute the mediatory process between ‘structure and agency’, they represent the subjective element which is always in interplay with the causal powers of objective social forms” (2003, p. 130; see chapter 3). The ontological significance of *moral* agency can be appreciated insofar as individuals’ *moral concerns* act to inform how they interpret and respond to the social circumstances they confront. If “situations do not directly impact upon us [because] they are reflexively mediated via our own concerns” (Archer, 2003, p. 139), then individuals’ moral concerns may contribute to that ‘subjective element’ used in the mediation of structure *qua* ‘objective social forms’.

Thus presented, critical realist ontology lends itself to a particular epistemological position regarding the “nature of the relationship between the knower or would-be knower and what can be known” (Guba & Lincoln, 1994, p. 108). Given the ‘ontological gap’ between the empirical, actual, and real domains, scientific research is presumed to deal only with transitive objects of knowledge, such as theories, which are its “raw materials”, and not directly with the intransitive dimension of reality, comprising structures, mechanisms, and events (Bhaskar, 2008, p. 11). Therefore critical realists recognise that access to the world is not concept-free, but necessarily mediated by socially produced knowledge (Fleetwood & Ackroyd, 2004). In this way, “[s]cience must be conceived as an ongoing social activity; and knowledge as a social product...” (Bhaskar, 2008, p. 240).

Yet, owing to the recognition that reality exists beyond empirical observations, knowledge claims are not entirely socially constructed; they are *concept-dependent*, but not *concept-determined* (Sousa, 2010). Furthermore, while *all* knowledge claims are fallible, they are not *equally* fallible, otherwise there would be no rival scientific theories (Collier, 1994). Given the differentiated ontology of critical realism, what will favour certain scientific explanations over others is the extent to which they represent the underlying mechanisms that influence behaviour of phenomena. Epistemologically, this entails a switch from observable *events* to potentially unobservable *generative mechanisms* (Danermark et al., 2002). Thus ‘reality’ is assigned according to a causal criterion, as opposed to a perceptual criterion, whereby knowledge claims are put forward by virtue of something’s effects (Archer, 2003). Ultimately, then, the purpose of scientific research is to bridge the empirical, actual, and real domains of reality by identifying the effects of underlying generative mechanisms on the phenomena of interest (Danermark et al., 2002).

4.2. Methodology

This thesis’ methodology, defined as “the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes” (Crotty, 1998, p. 3), flows directly from its ontological and epistemological assumptions. Specifically, its principal research strategy was driven by the imperative of identifying generative mechanisms associated with family involvement in governance and management that enable and constrain individual moral agency in family firms.

According to Ackroyd and Karlsson (2014), critical realist research designs within organisational research can be classified along two axes, namely, the *intensive-extensive* and the *involved-detached* dimensions. The first dimension focuses on the scope and purpose of research and describes whether the study tends to be in-depth or centred more broadly on contextual factors. Whereas at the intensive end the research scope is narrow and focussed, its purpose being to explicate the workings of phenomena in detail (e.g., through case studies), at the other end its scope and purpose is to explore general characteristics of populations and groups (e.g., through institutional analysis; Ackroyd & Karlsson, 2014). The second dimension concerns the extent to which researchers take a stance of relative involvement or detachment with respect to the object of interest. An involved stance entails the attempt to effect change by consciously intervening in social processes, such as by advising policy makers through action research. Conversely, in a detached approach, I did not aim to actively interfere in the operation of generative mechanisms, preferring to account for their current behaviour and effects, such as by using survey and census data.

Given this thesis' interest in exploring *how* blurred governance relationships influence individual moral agency, I employed a single, 'intensive' case study approach because of its focus on "the discovery of generative mechanisms" that underpin behaviour of phenomena (Ackroyd & Karlsson, 2014, p. 25). Additionally, insofar as it was not the intent of the present author to actively intervene in the workings of generative mechanisms and social relationships, this study's design leaned towards the 'detached', rather than 'involved', end of the researcher engagement continuum. However, as Ackroyd and Karlsson (2014) recognise, it is impossible for a researcher to maintain complete detachment of their research settings. Indeed, some authors argue that researchers ought *not* be detached given the emancipatory axiology typically associated with *critical* realism (Sayer, 2004; Sousa, 2010).

From an empirical perspective, an intensive case study approach allowed the capture of instances of individual moral agency in the field, which builds upon analogous efforts in the business ethics literature (e.g., Wilcox, 2012, 2013). Not only by virtue of *being* in the field and observing everyday interactions, but also by listening to individuals' reflections on organisational life, I was able to ascertain whether or not, and how, their moral concerns were addressed. The degree to which their moral concerns were attended in turn informed the level of enablement or constraint of their moral agency. This intensive research strategy also made possible explications about the organisational context within which individuals

were situated. This afforded the opportunity to unpack how, and with what effects, family involvement in governance and management gave rise to structural and cultural properties that impinged upon individuals. Moreover, it enabled a critical examination of the role of blurred governance relationships in producing such organisational structures, thereby leading me to address the research problem described in chapter 2. Hence, the choice of a single, in-depth case study is well suited for an examination of blurred governance and moral agency as predicated on this thesis' ontological and epistemological assumptions about the interplay of structure and agency (Farquhar, 2012).

I now turn to the selection of the case organisation itself, and thereafter elucidate how an intensive methodology informed the specific research methods employed in this thesis.

4.3. Case selection and description

Qualitative scholars often employ a purposive sampling strategy to select intensive case studies, which is informed by the conceptual framing of the research (Farquhar, 2012; Miles, Huberman, & Saldaña, 2014). Unlike random sampling used in quantitative studies, purposive sampling enables qualitative scholars to select a case based on its unique characteristics so as to align with the purpose of the research and respond to the underlying research questions (Miles et al., 2014). The following paragraphs outline the criteria used to select this thesis' case study, based on three main characteristics of the case organisation: family involvement in governance and management; business model growing in relevance in the 21st century; and values-driven business.

Given the overarching research aim to understand how family involvement in governance and management affects individual moral agency, a firm characterised by considerable influence on the part of the owning family was selected. To preserve the anonymity of the Australia-based case organisation selected for this study, I will refer to it using the pseudonym *TechCorp*. TechCorp is controlled in its majority by a single, founding family – the Clarkes (also a pseudonym) – four members of which are board directors. Oliver Clarke, the largest shareholder, who is also the CEO and leader of the executive team, has recently become the chairperson of the board. The CEO's brother, George Clarke, and wife, Clara Clarke, hold most of the remainder of the shares and both serve as board members. The former chairperson of the board, the CEO's father, Roger Clarke, has stepped down to become a director with no shareholdings. A fifth shareholder, a close friend of the family,

has recently resigned from the board but still retains share ownership. Therefore, at TechCorp, family members dominate both governance and management levels of the firm.

A particularly interesting subset of family firms are organisations whose characteristics reflect recent trends in the business world (e.g., Morgan, 2014). These include dynamic, fast-paced, technology-driven organisations with flexible work arrangements, whose stakeholders interact on the global stage. Unlike the proverbial family firm as the neighbourhood's local diner, TechCorp was "born global", in the words of its CEO. As a large technology company, TechCorp boasts a user base of more than 10 million from over 200 countries. Its digital marketplaces wherein customers buy and sell creative assets, such as photos and audio, generated over AUD 700 million in earnings to its author community (sellers) in 2017. The business currently enjoys an annual revenue of AUD 74 million and a workforce of about 450 employees. Altogether, TechCorp serves as a proxy for upcoming, technology-intensive organisations that are likely to shape how businesses are governed, managed, and experienced into the future.

Chapter 2 problematised family business ethics by suggesting that family involvement in governance and management leads to the incorporation of family values throughout the firm, potentially to the detriment of organisational members' moral agency to pursue their own values. To address this research problem, a case organisation was selected based on its apparent commitment to values beyond profit, which was taken to indicate the prioritisation of values closely held by the family *qua* dominant decision-making coalition (Chua et al., 1999). TechCorp has been recognised in its industry as assuming such values-based goals, like pioneering diversity and inclusion practices in the tech industry. The assumption then was that family owners of an ostensibly values-driven business like TechCorp will *tend* to refer to particularistic criteria, such as family values, when influencing its governance and management (Aronoff, 2004; Carney, 2005). It is worth noting that evidence of TechCorp's industry recognition as a values-based firm exists but was omitted from this thesis to preserve the case organisation's anonymity.

4.4. Access to the research site

My point of contact or "gatekeeper" (Lidz, 1989, p. 46) at TechCorp was a family member who was also its largest shareholder and CEO (hereafter referred to solely as CEO), to

whom I was introduced through a mutual acquaintance in the Bahá'í community⁴ (see section 4.7). The CEO became interested in the research project after two informal conversations over coffee in 2017 after which he requested a document summarising the research scope and methods. The document was sent under the condition that the terms of the project were subject to approval by Monash University's Human Research Ethics Committee (MUHREC).

The CEO circulated the document to TechCorp's Legal Counsel and subsequently followed up with a series of questions regarding, *inter alia*, the nature of data and confidentiality, to which I responded. Satisfied, the CEO organised for me to present the project via conference call to TechCorp's board of directors. The call ended after a few clarifications concerning research methods. I subsequently learned from the CEO that the project had been approved by the board. The CEO and board also authorised me to directly contact potential research participants, including board members, and begin data collection.

Upon approval, the CEO arranged for me to be introduced to TechCorp staff at an All-Company meeting. In that meeting, the CEO briefly explained the nature of the project, inviting anyone interested to contact me directly. Later that afternoon the CEO sent an email to all employees asking them to reach out either to him or myself should they wish to take part in the project. This email included a one-page flyer prepared by me summarising the project and providing contact details (see Appendix A). Finally, the CEO authorised me to be granted access to TechCorp's office, as well as to its online resources, such as Google Docs, Slack (internal messaging system), and company emails. In effect, I was allowed the same level of access as a *de facto* employee to common organisational resources, being assigned, for instance, a TechCorp email address and Slack account, as well as participating in a new employee orientation session.

On the following day, the CEO scheduled a time for me to present the project to the members of TechCorp's executive team. This was done in person following a similar structure as that of the presentation to the board. I took a few questions from the executives and thereafter sat in for the remainder of the executive team meeting as an observer. Approval for the observation was attained informally with me emphasising that anyone can withdraw themselves from the study at any time (Scheyvens, Nowak, & Scheyvens, 2003).

⁴ The Bahá'í Faith is an independent world religion founded in 1844. Bahá'ís believe in the progressive revelation of spiritual truth and in the fundamental oneness of religion and humankind.

I asked whether I might contact the executives individually to ascertain their interest in an interview, to which they all agreed.

4.5. Research methods

Critical realist research accommodates a variety of research methods or specific “procedures used to gather and analyse data related to some research question” (Crotty, 1998, p. 3). What determines the appropriateness of the methods is the nature of the object of study, which in this thesis pertains to the interplay of two ontologically distinct phenomena, that of (organisational) structures and of (moral) agency (Sayer, 2010). In line with critical realist metatheory, I embarked in the research with certain *a priori* conceptions of what such phenomena might empirically *look* like (Al-Amoudi & Willmott, 2011; O’Mahoney, O’Mahoney, & Al-Amoudi, 2017), while allowing for these conceptions to evolve and develop during my fieldwork.

For instance, organisational structures were conceptually understood as human (structural) and ideational (cultural) relationships, brought about by family involvement in governance and management (Archer, 2003; Porpora, 1989). Given their relatively ‘objective’ nature, I expected to be able to empirically identify structures as those contextual factors that were *shared* among organisational members (e.g., codified values). Likewise, enabled and constrained moral agency was construed as the extent to which individuals’ reflexive deliberations indicated that their concerns about right and wrong had been or would be addressed as a result of deliberate courses of action (see chapter 2). Because moral agency was *a priori* depicted as a potential component informing the ‘subjective’ mediation of structure and agency, I expected to find signs of structural and cultural impingements *in* participants’ reflective deliberations. With this in mind, I took my cue from Ackroyd (2004), who proposed that:

“The target of [critical realist] research activity may be either the patterns of relationships which constitute the building blocks of structure... or the reflective views that participants have on their circumstances. In addition it may involve putting together both sorts of data to identify or exemplify the patterns of relationships in which groups of actors are implicated in particular ways” (pp. 154-155).

Accordingly, this thesis targeted the nexus between the ‘patterns of relationships’ of structure arising from family involvement in governance and management and the ‘reflective views’ of organisational members about their concerns and circumstances.

Overall, I spent a total of 48 days in the field from 23rd of January 2018 to 21st of November 2018. The table below summarises the methods employed, examples and quantity of data, as well as details on event duration and page length.

Research methods/ examples of data	Quantity	Avg. event duration	Avg. page length (transcript/memo)	Total page length
Interviews	49			511
Formal	42	1h	12	504
Impromptu	7	30'	1	7
Observations	69			169
Executive meetings	14	2h	3	42
Board meetings	8	5h 15'	6	48
Team-level meetings	6	2h	3	18
All company meetings	5	1h	2	10
Management meetings	3	1h	3	9
Others (e.g., induction)	9	1h 45'	2	18
Internal and external 'documents' (e.g., emails, instant messaging chats, videos, media reports)	24	-	1	24
Total	118	-	-	680

Table 4.1 Summary of data collected

The following sections contextualise and explicate the multiple research methods employed in this thesis.

4.5.1. Interviews

A major goal of interviews is to understand the meanings participants ascribe to their experiences and life worlds (Brinkmann & Kvale, 2018; Warren, 2001) – including their interpretations of *organisational* life. In their review of qualitative organisational research, for example, Alvesson and Ashcraft (2012), identify the following approaches to interviewing: ethnographic; informant; respondent; narratives; and focus groups. These approaches underpin a number of interview techniques, like posing informal and impromptu questions;

engaging in conversations with experts in the field; openly sharing experiences and perspectives; story telling; and provoking interactive answers, such as debates (Alvesson & Ashcraft, 2012). What each of these techniques offer is a venue in which participants' voice is articulated in their own words, which provides invaluable insight into their view of the world (Brinkmann & Kvale, 2018).

In this thesis, I employed a range of interview techniques, from informal and impromptu through to semi-structured, to probe participants' reflective views about their circumstances, striving for both breadth of representation and quality of information (Alvesson & Ashcraft, 2012). These interview techniques afforded access, albeit imperfectly (Archer, 2003; Smith & Elger, 2014), to individuals' subjective deliberations as they shared their experiences at TechCorp.

Overall, I conducted 13 interviews with shareholders, board members, and executives, and 29 with other TechCorp employees, amounting to 42 interviews and seven impromptu conversations. Interviews were formally scheduled via email invitations and lasted for one hour on average. A copy of the Explanatory Statement (see Appendix A) was sent to all interview participants (Creswell, 2013). Consent for recording was given by all interviewees, except for one, after providing an explanation about the project (Berg & Lune, 2012; Roulston & Choi, 2018; Scheyvens et al., 2003). All recorded interviews were professionally transcribed.

The interview strategy comprised two tranches. The first purposively targeted participants who were directly involved in TechCorp's governance level, namely, shareholders, board members, and executives. These 'governance participants' (Filatotchev & Nakajima, 2014) included family members and non-family executives directly exposed to family influence. Following Harvey's (2011) suggestion in conducting 'elite interviews' with organisational leaders, I carefully planned my approach by first ascertaining their availability and interest in participating in the research. To do so, I sent personalised emails to all board members and executives, including the CEO, to explain the purpose of the research and enquire about their interest in undertaking an interview. Fortunately, all invited agreed to participate.

Interviews began with family and board members and were semi-structured to provide for a focussed and time-bound discussion based on pre-defined questions (Harvey, 2011), while simultaneously "generat[ing] free-ranging conversations" led by participant responses (Roulston & Choi, 2018, p. 233). A semi-structured approach also aimed at securing a level of consistency among interviews and enabling subsequent comparisons

across responses (Barriball & While, 1994). These interviews sought to understand TechCorp's governance system, the role of values, relationships between board members, executives, staff, and other TechCorp stakeholders, as well as how each individual experienced being on the board. Topics covered included personal experience on the board; how values were enacted within the firm; TechCorp's engagement with the outside community; pressing moral dilemmas/challenges faced by the board, among others. All four board members, including the CEO as chairperson, were interviewed. See Appendix C for the semi-structured interview template.

Interviews with executives were less formal and structured than those with family and board members to allow participants to more freely talk about their experiences at TechCorp (Sayer, 2010). As such, these interviews were more conversational, enabling an interactive exchange between myself and participants to explore topics as they emerged, often spontaneously (Brinkmann & Kvale, 2015). Interviews explored the individual's history at TechCorp; their interactions with both the upper and lower echelons of the business (e.g., board members and middle-managers, respectively); and how values were perceived and enacted in the business, among others. All executive leaders across TechCorp's business functions were interviewed.

The second interview tranche involved employees from a range of non-executive positions across different business units at TechCorp, such as analysts, senior developers, team leads, managers, and senior managers. Like those with executives, these interviews were less structured to encourage the open sharing of experiences at TechCorp. Interest in participation stemmed in part from the CEO's introduction at the All-Company meeting and email to employees about the project. Several participants emailed or 'Slacked' (sent message through TechCorp's internal messaging system) me directly offering their time for an interview. On other occasions, I would strike up conversations with employees in the common areas (e.g., kitchen) and ascertain their interest in participating in the project. Additionally, I employed a snowballing technique to ask interviewees to recommend other contacts who might be interested in the study (Parker, Scott, & Geddes, 2019), which often resulted in a direct invitation to participate. The table below provides the list of interview participants and their roles.

Participant (pseudonym)	Role
Adam Miller	Developer
Ava Dinn	Executive
Beatrix Evans	Developer
Betty Wynn	Business Analyst
Bill Kelley	Executive
Chloe Banks	Business Analyst
Cindy Rice	Executive
Clara Clarke	Board member
Donald Nguyen	Developer
Dorothy Bailey	Senior Developer
Dylan Garcia	Tech Lead
Elizabeth Rawls	Manager
Finn Stewart	Business Analyst
Fred Hills	Agile Coach
George Clarke	Board member
Harry Ingold	Executive
Hellen Davis	Project Coach
Howard Jens	Manager
Jack Edwards	Business Analyst
Robert Jackson	Business Analyst
Jeremy Yass	Executive
John Kazinsky	Executive
Kathy Allerton	Data Analyst
Larissa Haydn	Executive
Linda Harrison	Senior Manager
Lisa Myer	Administrative Staff
Luke Tiller	Engineer
Maria Wood	Marketing Analyst
Mark Taylor	Lead Developer
Martha Rye	Lead Developer
Mia Owen	Customer Analyst
Michael Hughes	Team Lead
Mirta Flores	Sales Coordinator
Myra Hicks	Business Analyst
Nora Dalton	Manager
Oliver Clarke	CEO
Oscar Cook	Senior Manager
Roger Clarke	Board member
Ryan White	Data Analyst
Sally Alby	Curator

Participant (pseudonym)	Role
Sam Campbell	Agile Coach
Tyson Williams	Executive

Table 4.2 List of interview participants and their roles

Moreover, I engaged in informal and impromptu conversations with many participants who had already participated in interviews. These would occur sporadically whenever I happened to encounter them at events or in the common areas. These conversations often complemented the formal interviews, adding more nuance to what had been discussed previously (Sayer, 2010), such as the Google Memo event (see chapter 7). Informal conversations were documented *post hoc* in individual memos to myself (Miles et al., 2014).

Both formal interviews and informal conversations allowed me to obtain a sense of how individuals experienced organisational life (Brinkmann & Kvale, 2015). Not only did interviewees share their overall perception of what it felt like to be at TechCorp, but also their thoughts on morally-charged events that had affected (or were affecting) them. This in turn proved a rich source of data from which to extract participants' reflexive deliberations about their concerns and thence "moral agency in actual organizational settings" (Wilcox, 2016, p. 273). Ultimately, in exploring moral agency as situated within organisational structures brought about by family involvement in governance and management, interviews and conversations accounted for "the sense people [had] of being constrained or enabled by their circumstances in terms of the structures in which they are located" (Ackroyd, 2004, p. 147).

4.5.2. Participant observations

Participant observation is a well-established method in field research (Gold, 1958). Jorgensen (1989) defines this research method in terms of seven basic features: (1) interest in human meaning and interaction; (2) focus on everyday life situations and settings; (3) theory-building based on interpretation of human experience; (4) open-ended, flexible, and opportunistic enquiry; (5) in-depth, qualitative, case study approach; (6) development of relationships with insiders; and (7) complementary use of other data-collection methods. Participant observations are held to differ from the notion of direct observations; whereas the latter is often associated with quantitative techniques in which the observer explicitly measures the frequency or intensity of behaviours, the former is an inherently qualitative

and interactive experience motivated by exploratory and explanatory research objectives (Guest, Namey, & Mitchell, 2013). As such, participant observations are associated with answering “why questions” and uncovering “causal explanations... that underlie the observable behaviors” (Guest et al., 2013, p. 80), which aligns with critical realist research.

In this thesis, participant observations of daily organisational life permitted the real-time capture of emerging phenomena at TechCorp (Kozlowski, Chao, Grand, Braun, & Kuljanin, 2013). In particular, participant observations facilitated an understanding of how family involvement in governance and management undergirded and was informed by family values, which in turn shaped structural and cultural elements to which organisational members were exposed. For example, my observations of board-level discussions highlighted the role of the family’s faith-based values in shaping TechCorp’s set of codified values. This subsequently enabled me to explore the effects of such organisational structures on individuals’ deliberations as reflected upon their concerns, and thereby interpret the extent to which their moral agency was enabled and constrained. In short, participant observations provided the means to witness both the “characteristic ways of behaving” of individuals and groups, as well as how they came to “understand their situation and act on these understandings” (Ackroyd, 2004, p. 146).

Opportunities for participant observations arose whenever I was invited to participate in meetings or other events. At the outset, for instance, the CEO invited me to attend weekly executive meetings. These were presided by the CEO and included all of TechCorp’s executives, as well as one or two board members. On occasion, other TechCorp employees would also participate. Another significant forum to which I was invited by the CEO were the board meetings, many of which also included an external consultant TechCorp contracted to discuss succession matters. Other board meetings saw the participation of certain executives.

Beyond spaces restricted to board members and executives, I also participated in meetings across TechCorp as a whole, such as bi-weekly all-company meetings and monthly management meetings. Other events entailed new product demonstrations; training sessions; among others (see Appendix B). Some of these events, such as an employee induction in which I participated, permitted a more immersive experience, catering for an *experiential* mode of enquiry whereby I became the research instrument via a “sensuous bodily experience, which is then encoded into other communicable forms” (Brannan & Oultram, 2012, p. 296).

Written memos proceeded all participant observations, which documented what took place and my own experiences and reflections (Miles & Huberman, 1994; Wolcott, 2009). Implied consent was given by participants by being made aware of my presence and by being able to opt-out of the study at any time, which would prompt me to refrain from annotating anything said or done by the participant (Berg & Lune, 2012). Fortunately, no participant expressed concern or opted out of the study. In all, 43 observation memos were compiled. A fieldwork journal with dates in which participant observations and interviews took place was also maintained (see Appendix B).

4.5.3. Documents

A document can be defined as “an artefact that has a written text regardless of its physical embodiment” (Bloor & Wood, 2006, p. 58). From an organisational research perspective, documents furnish rich and manifold records from which to gather current and historical data about a firm (Lee, 2012). Historical data, in particular, is significant in critical realist research for generative mechanisms that produce events might operate at different timescales (Mutch, 2014). As such, documentary analysis may provide insight into emergent organisational structures that shaped the course of events at any one time, thus adding context to the current state of affairs. Finally, documents are relatively accessible and economical since they themselves can be mobilised as empirical material, offering considerable potential for researchers operating under tight constraints, such as short deadlines (Tight, 2019).

Documents from internal and external sources were collected before, on, and after the fieldwork. External documents pertained to media reports from November 2015 to March 2018 on TechCorp and its family founders, indicating how the business is perceived by other industry peers, and providing publicly available data on its financial performance. This enabled an understanding of the wider context in which TechCorp was situated (Lee, 2012). For example, the suggestion that TechCorp is perceived its industry as a pioneer in certain social issues (e.g., diversity) was gleaned from a review of public media articles. It is worth noting that the internal documents presented in this thesis have been edited by myself only insofar as it was necessary to preserve the anonymity of the case organisation and research participants. Otherwise, they reflect a true snapshot of the actual document retrieved from TechCorp.

Owing to the employee-level access I enjoyed, documents and information shared with employees on TechCorp's 'cloud' (Google Docs) or via staff communication channels were automatically available to me. These internal documents ranged from emails and newsletters to presentation slides; Slack chat histories; business guidelines; video-recordings of meetings and events; among others. Google Docs, in particular, afforded an invaluable source of empirical material, as it enabled me to retrieve earlier versions and iterations of the same document, providing thereby a glimpse as to how participants' thinking unfolded around certain issues (e.g., the CEO's diversity interviews report in chapter 7). In addition, I had access to documents and information stored on TechCorp's intranet, which permitted the retrieval of data posted on specific dates (e.g., internal blog posts). This allowed a visualisation of the types of data available to employees around key dates (e.g., when a specific event occurred).

Other documents not necessarily available to all employees were nonetheless shared with me on account of my attending certain meetings and events. These were shared by the participants themselves, and included, for example, meeting notes; project information; and schedules. These documents reflected how events/meetings were managed and executed, which I used to explore the impact of family involvement on governance and management on routine business operations. For example, I observed through Google documents that many of the meetings were informed by an 'Agile' mindset in which projects were self-managed, and members held accountable to the team, rather than to an individual manager.

My comprehensive access to internal documents afforded a unique empirical vantage point from which to analyse how events unfolded at the time they happened, since records of these events were often retained in such media as Slack channels and videos (Mutch, 2014). It also provided insight into how individuals reacted to events taking place at TechCorp and thereby how individual moral agency might have been enabled or constrained. Data were fully anonymised and stored under secure conditions.

4.6. Data analysis

Data analysis proceeded iteratively as I considered empirical material relative to blurred governance and moral agency, ultimately yielding three separate findings chapters. This iterative procedure emerged spontaneously in the course of the fieldwork as I strove to capture the expressions of structural and cultural forces emerging from family involvement in governance and management, which then led me to identify these factors in individuals'

reflexive deliberations. In turn, individuals' deliberations about their moral concerns pointed to potentially impinging organisational structures that might have emerged through family involvement. This analytical dynamic continued until I was able to account for the phenomena of interest or what Easton (2010, p. 124) calls 'epistemological closure'.

Data analysis began with data *coding* (Miles & Huberman, 1994). I followed the two-cycle coding schema proposed by Miles et al. (2014), whereby data initially summarised and categorised in the *first cycle coding* stage is subsequently arranged into meaningful patterns or themes during the *second cycle coding* stage. The second coding stage, in turn, led to the abductive and retroductive modes of inference commonly employed in critical realist research (O'Mahoney & Vincent, 2014). Figure 4.1 below outlines the data analysis process.

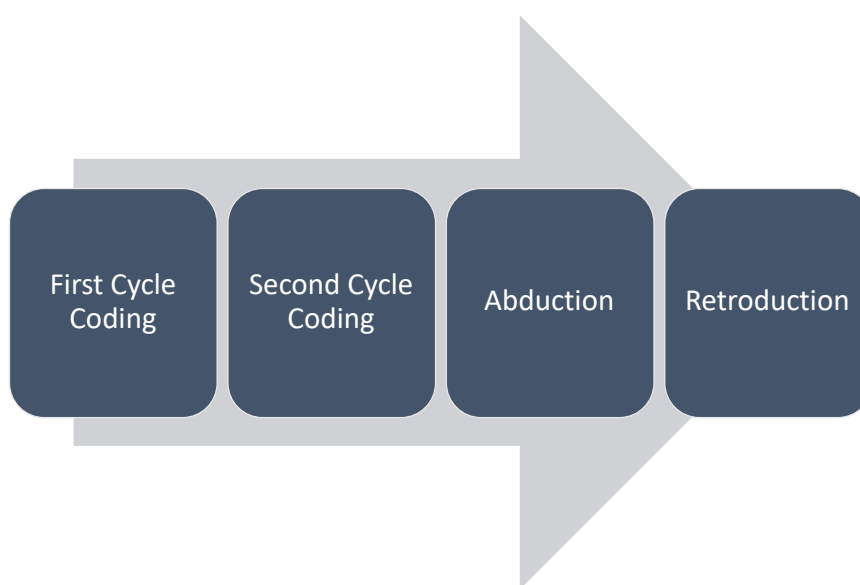


Figure 4.1 Data analysis process

In the first cycle stage, I employed three of what Miles et al. (2014) terms the 'elemental methods' or foundational approaches to coding: (1) descriptive, (2) *in vivo*, and (3) process coding. *Descriptive coding* was used to summarise and organise data collected gleaned from interviews, observations, and documents, producing an inventory of topics from which related information could be more easily retrieved. For example, the code "Google Memo" helped categorise data pertaining to a morally-charged incident that became the focus of the third findings chapter. *In vivo coding* attempted to reflect the words and terminology used in TechCorp's documents and by research participants, in order to capture individuals' experience and understanding of organisational life, and also to allow me to draw on such terms to prompt further conversations (Brinkmann & Kvale, 2015; Sayer, 2010). To illustrate,

the code “Agile” derived from participants’ own terminology to depict a particular way of working and served as a familiar term with which to use with other participants when referring to operational cycles at TechCorp. Finally, I employed *process coding* to represent actions or sequences of activity that contextualised how individuals interacted at TechCorp. For instance, the code “Hiring” denoted a feature of TechCorp’s recruitment process which framed particular kinds of interactions among individuals (e.g., interviews).

Moreover, given my interest in individuals’ subjective experiences of moral agency, I included in the first cycle stage two sets of ‘affective’ codes, to capture how participants felt as they deliberated about their moral concerns (Miles et al., 2014). The first set, *emotion coding*, reflected participants’ own descriptions about their feelings – or my interpretation about how they felt – as they reflected upon a situation or experience (Miles et al., 2014). For example, the code “uncomfortable” was deployed to label how some participants reacted to particular circumstances. The second set, *values coding*, sought to identify individuals’ personal morals and worldviews (Miles et al., 2014), which were then taken to inform their moral concerns. For instance, the code “fairness” denoted particular worldviews held by participants in relation to issues of organisational justice.

To help organise first cycle codes, I used subcodes to further breakdown general topics into more particular entries (Miles et al., 2014). This finer indexing supplied a more nuanced coding scheme, which served to enrich the data. For example, within the broader “Agile” code category the “Retro” subcode was included to represent a specific stage of TechCorp’s operational cycle.

First cycle codes supplied the data categories that informed the ensuing *pattern codes* in the second cycle coding stage (Miles et al., 2014). Relative to first cycle codes, these pattern codes are more explanatory and inferential, which required my active interpretation of recurring relationships or themes in the data, presented across the three findings chapters. In the first findings chapter, and consistent with the framing of my research problem, data analyses were organised according to *a priori* categories of family involvement in governance and management, with the latter split into the executive-level and operational-level (Miles et al., 2014). Within each category, *themes* emerged to the extent that I found family values driving and underpinning such involvement, leading thereby to the emergence of structural and cultural properties that shaped the socio-cultural environment in which organisational members operated. In other words, pattern codes in the first findings chapter were used to infer how family involvement in governance and management produced relatively objective organisational structures to which TechCorp

employees were exposed. For example, the theme “Bahá’í Values” emerged as the *family’s* faith-based values contributed to the emergence of *TechCorp’s* codified values *qua* organisational structure.

Unlike the first findings chapter, the themes presented in the second findings chapter arose as I interpreted participants’ subjective deliberations about their concerns *vis-à-vis* the organisational structures within which they were situated. Three main themes emerged as individuals deployed distinct strategies to address their moral concerns, and thus exercise moral agency: (1) Deferring; (2) Voicing; and (3) Challenging. *Deferring* emerged as the strategy of enlisting the firm and/or the family as proxies for addressing one’s moral concerns. *Voicing* represented an active stance that individuals took to directly articulate their moral concerns to others. *Challenging* entailed the more active engagement of calling into question behaviours and decisions based on one’s moral concerns. Within each theme, pattern codes informed sub-themes that arose as individuals pursuing these three agentic strategies felt enabled or constrained by virtue of seeing their moral concerns appeased or frustrated when interacting with organisational structures. Thus, whereas the first findings chapter concerned itself with themes and sub-themes relative to (organisational) structures, the second focussed on those pertaining to (moral) agency.

The third findings chapter saw an amalgamation of pattern codes pertaining to the dynamic interplay of both organisational structures and moral agency in the context of a time-bound and ethically-charged episode, namely, the Google Memo event. I selected this particular episode for analysis because it consistently arose in conversations I had with research participants when I brought up the topic of values and ethics, making it a critical incident (Miles et al., 2014). This chapter followed a chronological ordering structure to illustrate how the incident evolved and how participants responded to it as it unfolded (Miles et al., 2014). This allowed me to identify how family members became involved in governance and management to reinforce particular organisational structures (e.g., TechCorp’s values), as well as how employees responded in terms of feeling enabled (e.g., by challenging opinions they perceived as immoral) and constrained (e.g., by caving to conformity pressure) to exercise their moral agency.

Pattern codes paved the way for me to deploy two distinct explanatory logics typically associated with critical realist research, that of *abduction* and *retroduction* (O’Mahoney & Vincent, 2014, p. 18). Abduction concerns a recontextualisation or redescription of empirical data to show how they “can be part of and explained in relation to structures, internal relations and contexts which are not directly observable” (Danermark et al., 2002, p. 92;

O'Mahoney & Vincent, 2014). This offers a way of interpreting phenomena within a conceptual framework or set of ideas (Danermark et al., 2002). For example, family involvement in governance and management was recontextualised as informing human and ideational relations that give rise to structural and cultural emergent properties, which in turn impinge upon organisational members' reflexivity by shaping their socio-cultural context. Likewise, an individual's subjective sense of satisfaction in, say, appeasing an otherwise morally charged situation was redescribed as the successful execution of an agentic 'project' underpinned by his or her moral concerns, indicating the exercise of moral agency (Archer, 2003; Wilcox, 2012).

The second explanatory logic, retroduction, refers to that "mode of inference in which events are explained by postulating (and identifying) mechanisms which are capable of producing them..." (Sayer, 2010, p. 107). Retroduction consists in the "move from knowledge of some phenomenon existing at any one level of reality, to a knowledge of mechanisms, at a deeper level or strata of reality, which contributed to the generation of the original phenomenon of interest" (Lawson, 1997, p. 26). It also involves positing the conditions under which mechanisms occur (Danermark et al., 2002). For example, individual moral agency might be enabled by the mechanism of social regulation provided that conditions are such that individuals feel psychologically safe. Conversely, this mechanism might *constrain* individual moral agency when such conditions are absent. In practice, both explanatory logics occurred simultaneously as data analysis progressed (see Danermark et al., 2002).

4.7. Researcher reflexivity

Reflexivity entails "a self-monitoring of, and a self-responding to, our thoughts, feelings and actions as we engage in research projects" (Corlett & Mavin, 2018, p. 378). It is considered an essential aspect of qualitative research because it forces one to critically consider how one's underlying assumptions, presuppositions, and prior knowledge and experience inform one's approach to research (May & Perry, 2017). In the case of the present study, two main considerations influenced how I engaged with reflexivity as I embarked in the fieldwork.

The first was my prior work experience as a business consultant used to 'telling' businesses what to do. As a doctoral candidate, my role was less one of 'adviser' than a 'mobiliser' of empirical material that is informed, but not determined, by my own conceptual presuppositions (Alvesson & Kärreman, 2007). Yet the transition from adviser to mobiliser

was not immediate; indeed, I thought the two roles would be complementary, with the case organisation receiving a recompense by way of free consulting advice in return for opening its doors to me. It was not until I realised that negotiating between these conflicting identities (Denzin, 1989) was untenable before I critically scrutinised my positionality in the field (Corlett & Mavin, 2018). This critical scrutiny occurred in light of an episode where I found myself offering advice in the middle of an interview with a family member at TechCorp, which influenced the subsequent shape of the interaction. This exercise of what might be called ‘positional reflexivity’ (Macbeth, 2001) led me to soon abandon my attachment to a consultant identity and assume more freely that critical investigative stance more becoming of an apprentice academic.

The second consideration that motivated reflexive engagement was my identity as a member of the Bahá’í Faith, a religious community to which TechCorp’s family owners also belonged. It was by virtue of being a Bahá’í that I first met TechCorp’s CEO, Oliver Clarke, who subsequently sponsored me within TechCorp “with friends and acquaintances by testifying to his or her good character” (Lidz, 1989, pp. 45-46). The sharing of similar spiritual values might have contributed to the trust the CEO invested into my ‘character’ and to the ongoing ‘sponsorship’ dispensed by him throughout the fieldwork. Moreover, my trustworthiness might have been implicitly assumed at the board level given that board members also subscribe to the Bahá’í Faith.

However, despite its potentially significant role in shaping family values, it was clear from the outset that this thesis was not ‘about’ religion, since there had been no *a priori* assumption that family members’ involvement in governance and management stemmed from, or was informed by, their self-identification as Bahá’ís. Instead, as explained in chapter 2, the overriding frame used to problematise family involvement was that of the imposition of *family values*, of which *religious values* may (or may not) form a part – this being contingent upon empirical examination.

Therefore, although TechCorp employs Bahá’ís, I refrained from referring to myself as such. Nor did I mention during the course of interviews or impromptu conversations that I identified as a Bahá’í, even when I knew that interlocutors shared the same religious outlook. This notwithstanding a one-off occasion where the CEO presented me as “also a Bahá’í” to an employee of the same Faith. Despite my efforts to control the saliency of my Bahá’í identity, I recognise that others’ perceptions of myself as a Bahá’í might have influenced interpersonal interactions, potentially facilitating (or perhaps hindering) rapport, on account of an assumed spiritual worldview associated with the researcher.

Methodologically, I treated the Bahá'í Faith as any other potential data point: it would emerge in the thesis insofar as it informed relevant empirical patterns (Miles et al., 2014). As will be presented in the findings chapters, it turns out that the family's Bahá'í values *did* seem to shape the values they sought to impose upon the firm, and thus influence emerging structural and cultural properties at TechCorp. Yet, as will be discussed in chapters 6 and 7, organisational members operating within a socio-cultural context informed by family values did not always experience a sense of enabled moral agency.

Chapter 5: Findings – Blurred Governance and the Embedding of Family Values

This findings chapter is the first empirical incursion aimed at addressing the first research sub-question: *How do blurred governance relationships and individual moral agency manifest in a family firm?* Following the stratified ontological perspective of critical realism, this chapter focuses on the *structure* side of the structure-agency theoretical formulation used in this thesis. That is, it explores how structural and cultural properties emergent from TechCorp's owning-family's – the Clarkes – involvement in governance and management embed family values in the firm, thereby shaping the socio-cultural environment in which organisational members operate. In doing so, this chapter sets the stage for subsequent analyses, provided in the following findings chapters, of human *agency* as exposed to those structural and cultural properties emergent from blurred governance.

The findings are organised under three levels of analysis that represent the organisational levels at which the Clarke family became involved: *Governance*, *Executive*, and *Operational*. To help investigate the nature family involvement at each organisational level, the findings are further distilled into themes, which provide more detail as to the particular structural and cultural properties brought about by family involvement that impinge upon individuals.

Data analysed and presented in this chapter were collected from interview transcripts, internal and external documents, and observational fieldnotes. Given that this chapter focuses on blurred governance via family involvement, data primarily reflect the sayings and doings of *family members* as they delve into TechCorp's governance, executive, and operational levels. Yet because of the blurred nature of family business governance, musings of executives and staff members are also occasionally provided.

5.1. Governance level

The first level of analysis that informed my data analysis pertains to the family's involvement in governance. Acting simultaneously as shareholders and board members, with the exception of one non-shareholding director (the CEO's father), the family appeared to wield considerable influence upon TechCorp's governance system. Empirically, the family's influence upon governance became salient as shared values among family members

shaped the firm's governance arrangements. This family involvement in governance is discussed across four themes: *Bahá'í values; Ownership and profits; Board-management relations; and Social impact*. Each is considered in turn below.

5.1.1. Bahá'í values

The first theme concerning the family's involvement at the governance level emerged as family-owners consciously drew on shared Bahá'í values – a religion common to all family members – to inform board-level deliberations. It also became salient as the family strove to propound Bahá'í values to the rest of the firm by codifying them, with the aid of other organisational members, into formal TechCorp values.

On 16/02/2018, I attended a board meeting in which an external consultant facilitated a discussion on team values. The CEO, Oliver Clarke, and two other board members, Roger Clarke and George Clarke, participated. In the course of the meeting, board members were required to identify the values by which the “Stewardship Team” (i.e., the label chosen by the board to designate itself) operates. In response, the participants unanimously pointed to the “Bahá'í Faith” as the source of their shared values. Indeed, I later learned that the board had sent a document authored by the Universal House of Justice, the international governing body of the Bahá'í Faith, to the external consultant as background reading prior to the meeting. I recorded the following excerpts from participants' comments as this board meeting progressed:

- *Roger Clarke [became tearful]: “We don’t want to leave people behind. Everyone has to advance together.”*
- *George Clarke: “As Bahá’ís, we don’t like extremes of poverty and wealth”.*
- *Roger: “Bahá’ís have a methodology on how we should interact with each other: consultation”.*
- *George: “We prefer to be united and wrong than fractured and right. United and wrong means that we can soon identify that we’re wrong and right our ways. Fractured and right means even if correct, people will be pulling in the other direction.”*
- *Regarding the board’s role in the business, Roger invoked “another Bahá’í term: accompaniment”, which he defined as, “larger than coaching/mentoring”*

Figure 5.1Fieldnotes from a board meeting held on 16/02/2018

The foregoing fieldnotes suggest that shared Bahá’í values intertwined with the principles by which TechCorp’s board members make decisions. Bahá’í values underpinned the board’s moral and ideational aspirations, such as fighting “extremes of poverty and wealth” and not wishing to “leave people behind”. They also informed how board-level deliberations in terms of how “we should interact” are informed by the principles of Bahá’í “consultation”. Thus decision-making ought to be organised in such a way that being “united and wrong” is better than being “fractured and right”. In addition, the board appeared to draw on Bahá’í values to organise how it engages with *other* actors in the firm, favouring the Bahá’í concept of “accompaniment”⁵ over more traditional board advisory roles, like “mentoring”.

It is telling, however, that the fact that board members were so eager as to pre-emptively share a Bahá’í document with the consultant prior to the meeting might indicate a desire to prime the consultant in seeing the world through the family’s eyes. One possible nefarious effect of this is to force or bias the consultant towards agreeing with the family’s preferences about how people ought to behave at TechCorp, rather than more freely allowing the consultant to possibly challenge the family’s views. This desire on the part of

⁵ The Bahá’í concept of accompaniment calls for the mutual support among individuals treating a common path of service to humanity, with the object of promoting collective spiritual, material, and social advancement.

the family to quickly establish their moral authority is a recurring theme throughout the findings' chapters.

For example, the family's Bahá'í values were not confined solely to the boardroom; rather, they provided the very foundation for the set of codified values pervading the firm. TechCorp's codified values are: *Results-Oriented*; *Speak Openly*; *Diversity & inclusion*; *Money is Not Everything*; *Fair Opportunity*; *Trust and support*; and *We Thrive When Stakeholders Thrive*. According to the CEO, each of these codified values is "loosely based on Bahá'í values", such as "truth", "justice" and "service":

[T]he values are sort of loosely based on Bahá'í values - there's one about truth; there's one about justice; there's one about service, and sort of moulded into what I thought TechCorp needed, and effectively branded. 'Speak Openly' just sounds better than saying 'we value truth'... as my dad's always pointing out to me, though, in a real moral framework-- and really, as a Bahá'í, the only moral framework that I truly believe in is the one I believe is God-given-- it is far more extensive and far more perfect than any man-made construct. – Oliver Clarke, CEO (Interview)

The fact that the CEO packaged or "branded" Bahá'í values to the rest of the firm indicates an attempt to make these values part of TechCorp's normative system. The CEO converted abstract Bahá'í concepts, like "we value truth", into more marketable, bite-sized, and mnemonic terms, such as "Speak Openly". Driving the CEO's impetus to codify values is a determination – and perhaps a sense of moral entitlement, akin to that of a religious leader – to address "what I thought TechCorp needed". While he seems unapologetic that he is trying to impose a "moral framework" upon TechCorp, he recognises – with the aid of his father, "who is always pointing out to me" – that such a structure is ultimately "man-made" and not "God-given".

Board members explained that TechCorp's Bahá'í-based codified values were meant to guide decision-making across the firm in the same way it guided board-level deliberations. Providing values by which decisions ought to be made became paramount as TechCorp grew in size and decision-making became decentralised from the board. As one board member mentioned, the "unwritten principles" by which the board made decisions now needed to be "formally documented" and not transmitted through "osmosis", given TechCorp's size:

I think as board members and as a board, we used certain unwritten principles over time to make decisions, that it wasn't always about the bottom line... And then it was actually Oliver who pointed out that we're at a stage now that the company was large enough that you couldn't pass on these concepts just through osmosis. You had to actually formally document them, and only through formally documenting them could you capture the culture and essence of the decisions and how things are done at TechCorp. – George Clarke, board member (Interview)

By codifying board-level decision-making principles into Bahá'í-based codified values, the board explicitly sought to propagate family-held religious values throughout the firm. In doing so, the board seemed to wish that organisational members would make decisions using the same values *it* uses in its own deliberations. As a result, in codifying its principles the board sought to “capture” the “culture and essence” of “how things are done”. What was once a series of guiding religious values for the board now gave rise a mandated set of norms, in the form of codified values, cast upon the rest of the firm.

Ironically, codified values as an imposed suite of norms seemed co-constructed by both the family and those organisational members upon which they ultimately impinged. According to board members, employees played a significant role in developing TechCorp's codified values. For example, one board member describes how “staff” had “assimilated” the founder's “values” and were “repeating it back” to them:

So the values, as we have it right now, in the organisation... it was all put down by what the staff thought the organisation's values were. So from my perspective, I was really happy about it. Well, it was that the founders of the company had a set of values, and they had grown the company with that view, and the staff assimilated it in this fashion. And they were in essence, repeating it back and saying, "This is what we understand it to mean." – Roger Clarke, board member (Interview)

The echoing of values by employees back to the family indicates an iterative and recursive component to the formation of this normative component of TechCorp's organisational culture. Although a board-level initiative to codify the family's Bahá'í values, it was employees who “put down” what they defined as TechCorp's values. This is confirmed by an executive, who commented that, “what I understand about the values... a lot of it was extracted out of the people that were there rather than sort of being like a tablet that came

down from above. Obviously, they wordsmithed and nudged it into a good shape from above.” While employees helped produce the values, their final shape was determined by the family itself.

Yet a word of caution is needed. It is not unlikely that family members might be downplaying their own role in imposing their values upon the firm. The extent to which firm values were in fact co-constructed with staff may be inflated so as not to give the impression that the family is overly orthodox and forceful in impressing their beliefs upon others. Further, the family’s close associates, such as executives, may also be inclined to give socially desirable responses to protect the family and thus echo the story that firm values emerged as the mutually beneficial result of a harmonious and conflict-free relationship between powerful family owners and firm employees. Signs that values at TechCorp may not be so universally held will emerge throughout the chapter, and in particular in chapters 6 and 7.

In sum, the family’s influence at TechCorp’s governance level took place as shared religious values informed board-level deliberations. It did so by providing normative reference points by which the board made decisions (e.g., addressing social inequality) and by structuring how it made decisions (e.g., consultation). It also motivated the board’s decision, as prompted by the CEO, to propagate Bahá’í values throughout the firm by codifying them into formal TechCorp values. In this respect, family involvement in governance sought to impose codified values upon organisational members and thus shaped the context in which TechCorp employees operated.

5.1.2. Ownership and profits

The second theme germane to the family’s influence at the governance level arose around the question of ownership and profits. As board members, the family often deliberated upon a system of ownership and profit distribution that would reflect its shared values. The blurring of governance relationships took place as board-level discussions spilled over to executive deliberations on the issue of ownership and profits, in which non-family executives appeared compelled to work within family-imposed normative parameters.

Empirically, I captured ownership and profit discussions by reviewing the board’s shared online Google documents. These documents were often used by board members to support their deliberations and record ongoing discussions. Board members described these documents as “live” because multiple users with whom the document was shared were able to simultaneously view, edit, and comment on them. Since document edits and

comments are timestamped and therefore traceable, they afforded rich empirical insight as to how board conversations unfolded. Further, by being able to retrieve multiple versions of the same document, I could access earlier iterations of the board's thinking around particular issues.

One such document set up by the CEO for the purposes of discussing TechCorp's ownership and profits was entitled "The Question of Ownership and Profits". The document was shared among all three board members, three non-family executives and an external consultant. Created in 23/03/2018, the document went through 17 iterations according to its 'version history'; the latest being that of 11/03/2019. This eventful history indicates the board's continuous concern with the issue, with deliberations spanning almost one year.

Early iterations of the document made explicit reference to the Bahá'í Faith and its central figures. For example, in its earliest version (23/03/2018), the document included the following excerpt: "From 'Abdu'l-Baha's writings [one of the central figures of the Bahá'í Faith] we should have 20% of the shares allotted to staff, and the profits from those distributed amongst the staff." The wording was adjusted on the following day in a version saved by another board member: "What we want to accomplish is 1) A system that aligns well with the Baha'i approach..." These early versions of the document indicate the board's aspiration to shape TechCorp's governance arrangements by moulding its ownership and profit distribution systems after the family's religious Bahá'í values.

Although explicit mention of the Bahá'í Faith was dropped in subsequent versions of the document – potentially indicating the board's caution not to impose (or be seen to impose) too narrow a belief system upon others – allusions to the family's moral values were maintained. For example, in its latest version (11/03/2019) saved by the CEO, the document states:

A system of ownership

TechCorp needs a system of ownership that:

- Ensures the continuity of TechCorp's purpose and values
- Let's anyone take an ownership stake in TechCorp
- Sees TechCorp fairly benefit shareholders, staff and stakeholders

Figure 5.2 A system of ownership, from the document 'The Question of Ownership and Profits'

Focussing on ownership, the board articulated its concerns in maintaining “purpose and values” within a system where “anyone” can become an owner and from which not only “shareholders”, but also “stakeholders” can “fairly benefit”.

Another indication of the family’s emphasis on values-based concerns stemmed from the document’s statement about shareholder value optimisation. Specifically, the document declares that the purpose of the TechCorp’s ownership and profit model is *not* to optimise shareholder value. Indeed, it hints at preferably being *against* shareholder value as the board remains “quite open” that such is “not the path”:

What we don’t want to optimize for

Importantly, this isn’t aiming to optimize to shareholder value. In fact we’re quite open to the probability that this is not the path to increasing shareholder *financial* value.

Figure 5.3 What we don’t want to optimize for, from the document ‘The Question of Ownership and Profits’

The board’s emphasis on non-economic values was seen to directly affect deliberations at TechCorp’s executive level. Non-family executives were bounded by the board’s normative parameters when responding to the board’s vision for ownership and profit distribution. The board’s vision for ownership and profit was ascertained by reviewing the comments non-family executives posted to the body of the shared document. For example, some executives questioned the family’s vision for ownership and profit distribution. As one executive commented, such a vision may “result in a **much much** smaller set of investors that would be interested, thereby lowering the capital value of the company” (original emphasis; Figure 5.4). Another chimed in, asking whether this discussion “makes the whole thing redundant in a sense” (Figure 5.4). Despite levelling such challenges, both executives appeared to acknowledge, and potentially submit to the family’s decision that “financial value isnt something that we’re trying to optimise” [sic] and “we are not optimising to the financial value”, respectively (Figure 5.4). Thus the board’s particular vision for TechCorp’s ownership and profit systems appeared to shape executive-level deliberations by imposing values constraints by which executives were compelled to abide.

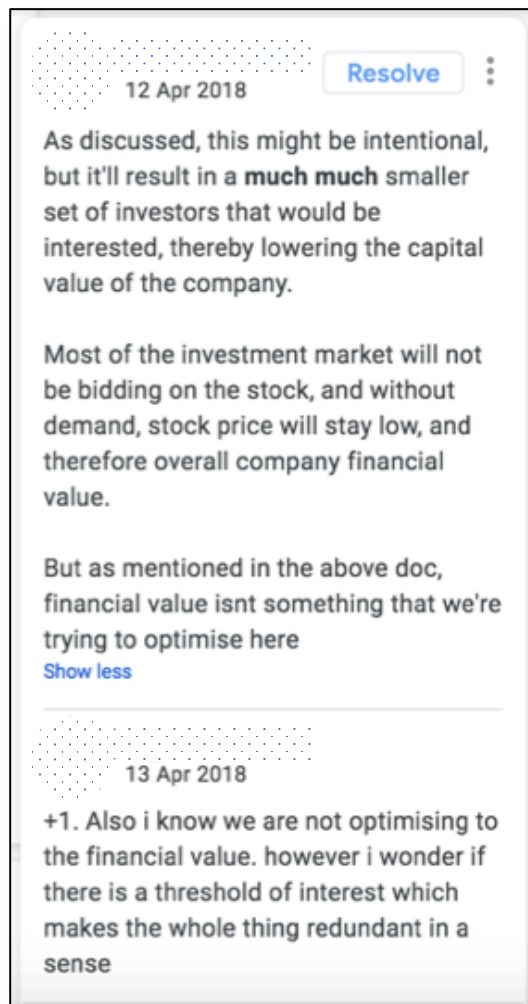


Figure 5.4 Comments on the document 'The Question of Ownership and Profits'

Consequently, the board's attempt to mould TechCorp's ownership and profit systems based on the family's values informed the firm's normative priorities. For example, the family's values-based ownership and profit systems shaped current and future resource distributions, financial or otherwise, among organisational members. Additionally, by linking the business purpose to factors beyond shareholder wealth, such as family values, the board effectively limited deliberations about what ought to be optimised or prioritised. This in turn shaped deliberations at the executive level, where non-family executives seemed compelled to work within the normative framework set up by the board.

5.1.3. Board-management relations

The third theme surrounding the family's influence at the governance level referred to board-management relations. Specifically, family values seemed to influence the board's vision for how it ought to interact with management. This was captured empirically based on observations of TechCorp's board meetings and reviews of shared online board documents.

The board's vision for how it sought to relate to management is seen in a shared online Google document labelled "The Question of Who Should Lead - Board & Executive Leadership Structure". This document, created on 23/03/2018 and last updated on 17/03/2019, was shared by the board with the entire executive team. In it, "key roles" of the board in relation to the executive team were highlighted. Excerpts are provided below (Figure 5.5 and Figure 5.6):

The Board of Directors

Shareholders, staff and stakeholders should rest easy knowing the Board is there ensuring continuity of purpose and values, as well as fair benefit for all, both now and in the future.

Figure 5.5 The Board of Directors, from the document 'The Question of Who Should Lead - Board & Executive Leadership Structure'

Key Roles

Nurture the people and system of TechCorp

Mentorship, accompaniment, sounding board for the CEO and executive team to help them develop in their capability to lead and structure TechCorp.

Figure 5.6 Key Roles of the Board, from the document "The Question of Who Should Lead - Board & Executive Leadership Structure"

In the document, the board emphasises its self-designated role of safeguarding TechCorp's "purpose and values". It adopts an almost paternalistic tone to emphasise that all should "rest easy" because, in a role akin to that of moral guardian, it promises to take care of present and emerging stakeholder generations so that they all receive a "fair benefit" from TechCorp. Simultaneously, the board departs from a strict principal-agent relationship with

management to one involving guiding and capability-building. Indeed, the use of the term “accompaniment”, a distinct Bahá’í reference, alludes to the board’s religious inspiration concerning its role relative to management.

Board members expanded upon the principles that ought to inform board-management relationships in a board meeting I observed on 28/03/2018. Meeting participants included the CEO, two board members, and an external consultant. Excerpts from observational fieldnotes of this meeting are displayed below:

- *Making explicit reference to “Milton Friedman logic” and “agency theory”, Oliver Clarke (CEO) said that TechCorp has a “different guiding philosophy”, whereby “we don’t want a system where you say, ‘you are my agent, go and do this’”. For him, instead of a “coercive, directive, agency approach” TechCorp should strive for an “elderly, guiding, nurturing system.”*
- *Oliver: “Who appoints who? The traditional view of governance is that the board hires and fires the CEO, and the CEO hires and fires everyone else. The traditional attitude is: ‘if you don’t do what you’re told, we’ll fire you. And this attitude is passed on to the rest of the organisation’”. On this, Oliver said that TechCorp needs a “paradigm shift”.*
- *Roger Clarke (board member) shared the structure in the Bahá’í Faith as input for possible board-management relations: “We have a moral body and executive body. The executive body is elected. The moral body is appointed. The moral body is responsible for accompanying the executive body, and the executive body should give due care and attention to the moral body. However, the moral body cannot direct the executive body.”*
- *George Clarke (board member): “In TechCorp’s future there will still be a board that will hold management against specific values they wish to optimise.*
- *Recognising that the board needs a system of “checks and balances”, George said, “the checks and balances must come from the people [employees] themselves”.*

Figure 5.7 Fieldnotes from a board meeting held on 28/03/2018

In this meeting, the board consciously positioned itself against the imperatives underpinning “agency theory”, to which they referred, after the term was introduced by the external consultant. Contrary to a prevailing agency “attitude” whereby agents follow orders so as to avoid punishment, board members reiterated the desire to establish board-management

relationships based on an “elderly, guiding, nurturing system.” This view on how the board should interact with management seems inspired by Bahá’í principles, as per analogy drawn between the board as a “moral body” and management as an “executive body”. Contra “Milton Friedman logic”, the board appears to invoke the family’s religious values to potentially inform its relationship with management.

Agency theory notwithstanding the board appears to retain its monitoring role *vis-à-vis* management. Here monitoring is described in relation to that which the board seeks to “optimise”, namely, “specific values”; it is to this set of values – in a potential allusion to family values – that the board will apparently hold management to account. Relatedly, the board invokes a system of *social* monitoring in which “checks and balances” are provided not only by the board but also by TechCorp employees: it is the “people” who ought to hold others to account for those (family) values the board decided to optimise. Indeed, the board appears to call for a decentralisation and expansion of its monitoring role so that it not only comes to monitor *executives* in relation to values, but by proxy monitor *all employees* through each other. In short, while the board moves away from a strict principal-agent relationship with management by tempering it with family values, it retains the agency-theoretic imperative to monitor, directly and indirectly, those working at TechCorp.

The degree of control held by the board, and in particular the CEO, over the executive team is not lost on executives. Indeed, the overwhelming influence of family members suggests that some executives often felt disempowered and cynical about the extent to which the executive team had any say at all in TechCorp’s affairs. As one executive put it, *“I feel more responsible for the running of TechCorp to a preconceived agenda than as a person setting the agenda... Oliver does that, the vision bit... And we [executives] come up with ideas about how our group might contribute to the vision... But even then, really, I think... it's a little bit of a-- not a façade, but it's authentic to an extent.”* This inability to go against the vision of the family has significant implications for individual moral agency, which will be further explored in chapters 6 and 7.

Overall, family involvement at the governance level became salient as family values appeared to influence board-management relations. While family values cohered with stewardship-based relationships, characterised by care and guidance, they did not entirely dispense with agency-theoretic monitoring imperatives. Yet monitoring seemed centred on those values the family wished to optimise, not necessarily financial or economic value. By combining such stewardship and agency-based dynamics, the family shaped the context within which TechCorp employees work. This context informed human relationships, such

as in the form of mutual monitoring, and also the norms to which these relationships were exposed, like the imperative to use families to hold each other to account.

5.1.4. Social impact

The fourth theme on family involvement in governance pertained to that of social impact. Social impact became salient as the board directed organisational resources to further social causes cherished by individual family members. It also materialised to the extent that the board acted to catalyse specific courses of actions throughout the firm to promote ‘diversity’ as a social cause collectively esteemed by the family.

One way the board seemed to effect social impact was by allocating organisational resources, namely, a fixed share of profits, to TechCorp’s charitable foundation. For instance, in the shared document “The Question of Ownership and Profits”, the board determines that:

Each year some part of the profits are set aside for distribution in a specific **completely inflexible** proportion:

c. 1% goes to the TechCorp Foundation

Figure 5.8 Social Impact, from the document ‘The Question of Ownership and Profits’

The original emphasis in bold characters highlights the board’s resolve to allocate profits towards social causes: by employing the descriptor “completely inflexible”, the board apparently leaves no room for negotiation. Indeed, a further reading of the document reveals that the board not only took it upon itself to designate the *percentage*, but also the *destination* of funds. According to a comment posted by the CEO on the document, the TechCorp Foundation is the “charity foundation we’re setting up now - ie. the 1% of pretax profits to aboriginal and torres strait islander charities” [sic]. Hence the board appeared to reserve for itself the prerogative to make decisions around organisational resource allocation to advance specific social causes.

Board members reported that the Foundation originally derived from family members' *personal* interests around particular areas of social impact. For example, one board member explains how the interest to assist "Aborigenes" [sic] stemmed from one family member's personal concerns, while causes related to "women" from another's:

Clara has an interest to do with women... Hanson [former board member] has had an interest about things to do with the Aborigines and education of women, so here is another thing. So every individual member has that, and they have other things they're doing outside of the board. So there is a personal engagement in those things... So they will come and say, "What can we do about this? We're going to put aside-- What should we do?" For example, the charity-- the story of the charity-- the whole thing started with, okay, we should put some money aside into a project... – Roger Clarke, board member (Interview)

The foregoing quote indicates that the TechCorp Foundation was initially established to reflect causes of personal concern to family members *qua* individuals, which then materialised in board-level decisions to allocate organisational resources to such causes. Accordingly, family members utilised the board and organisational resources as means to articulate their own personal values, thereby shaping TechCorp's governance decisions.

As noted above, one social cause that emerged as of special importance to the board pertained to diversity and inclusion. From an empirical perspective, board-level discussions often revolved around diversity and inclusion issues and culminated in the Google Memo event explored in chapter 7. The board did not always find it easy to deliberate about diversity and inclusion as it proved to be a morally contentious topic. For instance, one board member recounts a boardroom discussion in which the "financial" benefits of diversity and inclusion were juxtaposed with the need to do "the right thing":

And it was tons of papers put forward, which showed that basically an organisation which is diverse is financially better off. And the board said, "Yep. We want to do it because it's good for financials." And one member of the board said, "Well, actually that's not the reason we're doing it. We're doing it because it's the right thing to do. That happens to be one of the consequences, but would we not do it if it was not financially beneficial?" And the answer is, "No, we'd still do it, because there is the

right thing to do for everybody to be advancing.” – Roger Clarke, board member (Interview)

A tension between financial and moral imperatives of diversity – or the business case vs. the social justice case – marked the board discussion. Whereas some board members put forward diversity and inclusion as financially advantageous, drawing from “tons of papers” he or she potentially commissioned, other members challenged the notion that financial benefits were the sole motivating factor under consideration. In fact, Roger claims that the board would still invest in diversity and inclusion even “if it was not financially beneficial” because it promotes collective social advancement. For Roger, then, the moral imperative of diversity and inclusion trumps any ensuing financial outcomes.

Diversity and inclusion emerged not only as a philosophical concern for the board but also as a driver of concrete action throughout the firm. Particularly prominent for board members was the issue of *gender* diversity. For example, one board member explains how the board’s concern with diversity and inclusion motivates certain programmes that are “only open to women”. She indicates that because the board “decided” to add diversity and inclusion to TechCorp’s formal set of values, those who oppose this value may often find TechCorp a “challenging place to work”:

I think if you are not totally on board with diversity and inclusion as a concept, TechCorp’s a very difficult place to work. And we’ve had-- maybe not a very difficult place to work, but a challenging place to work at times, because we’ve just decided that it’s part of the values and so, therefore, we are going to have programs like employee apprentice developer programmes... And that’s only open to women. - Clara Clarke, board member (Interview)

The board appeared to impose its view on diversity and inclusion upon the firm rather forcefully. Perhaps in contradiction to a diversity and inclusion agenda, it seemed ready to dismiss opinions that are *too* diverse, such as those that question the merits of the diversity and inclusion value itself. As a result, the board called upon organisational members to get “totally on board” with its own “concept” or rendition of the *meaning* of diversity and inclusion. Indeed, irrespective of this contradiction, the board pushed ahead with its diversity and inclusion crusade, fostering initiatives that cohere with this objective, while fending off potentially adversarial positions.

To summarise, family involvement in governance appeared in the form of social impact as the board allocated organisational resources to address social causes advocated by family members. Resource allocation occurred both externally, through TechCorp's charitable foundation, and internally, by way of programmes aligned with the family's diversity and inclusion objectives. Using organisational resources to further family-based values portends a number of cultural implications for the firm. For example, by deploying charitable programmes and diversity and inclusion initiatives, the family is conveying its expectations around what organisational members ought to regard as important. Indeed, individuals who did not agree with such family values were liable to suffer adverse consequences.

5.2. Executive level

The second organisational level informing my data analysis concerns the family's involvement at TechCorp's executive level. Given that the purpose of this chapter is to analyse the extent of family involvement in governance and management, as a proxy for blurred governance relationships, this section considers family influence at the executive level as that exercised over *non-family executives* (henceforth referred to collectively as executives or the executive team).

Family involvement at the executive level emerged as the CEO and other family members – in their roles as board directors – sought to influence other executives' behaviours according to TechCorp's values, and by corollary, to family values. This section organises family involvement under three distinct themes as they surfaced from the data. The first discusses how family/board members and the CEO pushed executives to *operationalise TechCorp's values* so that they might be rendered more applicable among themselves and across the firm. The second explores the CEO's attempt to impose upon the executive team a *leadership philosophy* that sought to safeguard the continuity of TechCorp's values throughout the firm. The third investigates how the CEO enrolled the executive team to help develop a *values-based performance review system* that would be implemented at the executive level and beyond. Data informing this section were gathered from my observations of executive team meetings, interviews, and documents.

5.2.1. Operationalising TechCorp's values

The first theme germane to family involvement at the executive level emerged as that of operationalising TechCorp's values. This theme appeared as the board called upon the executive team to translate TechCorp's values into more intelligible forms for non-executive employees (hereby referred to solely as employees). It also arose as the CEO led executives to develop working agreements associated with TechCorp values so as to facilitate their use among themselves and eventually throughout the firm writ large.

Board members reported that one of the functions of the board was to guide the executive team in delivering on TechCorp's values. They claimed that this guidance involved asking executives to continuously refer to values when engaging with their own teams. As one board member indicates, the board pushed executives to frame issues around TechCorp's values, such as *We Thrive When Stakeholders Thrive* and *Money Is Not Everything* in order to "drill it in":

We spent a lot of time, both as a board and guiding the executive team to ensure that every time they got up in front of their teams, they were talking about things in the context of these values. So how are we ensuring that we thrive when stakeholders thrive? Is this about the money?... it was literally every time anybody got up, they had to speak in the context of the values to drill it in. – Clara Clarke, board member (Interview)

Clara is emphatic in describing the role of the board in acculturating the executive team into TechCorp's values. The board's aim was to apparently elicit something akin to a conditioned response among executives so that "literally every time" they spoke to their teams, they had to do it "in the context" of pre-defined TechCorp values. Accordingly, the board sought to influence the very language executives were employing when "talking about things" with their teams. It seems therefore that the board's "drilling" exercise targeted not only executives, but also their own teams, who had to bear the listening whenever executives "got up in front" of them.

Despite viewing the executive team as a conduit through which to further its values-based cultural agenda, the board appeared to clearly distinguish its own role from that of executives. As the CEO put it, while the board employs values to navigate "big moral questions", the executive team translates them into a "more granular reality" across the firm:

I think the role of the Stewardship Team [board] in relation to the values is as overall guardians, but in practice, really at the level of values, really high level big moral questions of risk and governance that might come up... And I think the executive team is the day-to-day guardians of the values and is responsible for translating these bigger concepts into more granular reality for the average person. – Oliver Clarke, CEO (Interview)

While the board appears to utilise TechCorp's values to guide its decisions it expects the executive team to render these values applicable to the rest of the firm, acting thereby as values intermediaries; they act as a bridge between the family's values and employees. Both the board and the executive team serve as values custodians or "guardians" to safeguard the family's values – a term with potential religious connotations – but the role of the latter is to make them intelligible to firm employees. Thus the board emerges in a paternalistic and perhaps condescending role as it calls on the executive team to talk down to the "average person" to help them put TechCorp values into practice.

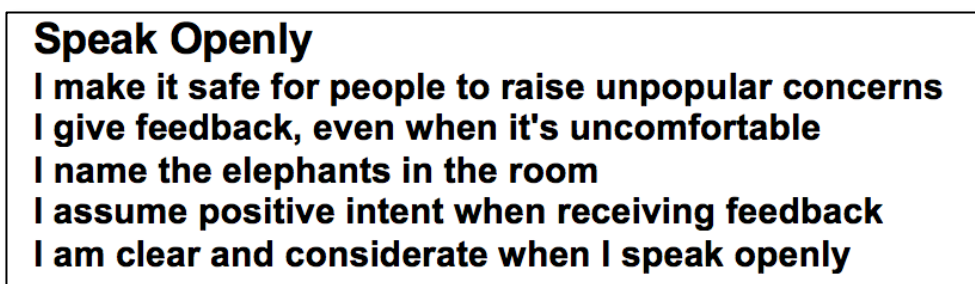
Yet due to the blurred nature of TechCorp's governance, board members do not leave the executive team entirely to its own devices in its values-translation role, making the family's values more applicable to employees. As board chairperson, the CEO helps executives translate values by encouraging them to develop "working agreements". As the CEO indicates, working agreements are a means to extract the behavioural implications from TechCorp's values. By making them more "specific" the CEO suggests that values become more operational since they can be used in a "conversation":

I look at it and go, "Okay. It's not clear enough how to interpret this value." And so the executive team working agreements, for example, was a small attempt to go, "Well, when we say, 'Speak Openly', what we mean is 'I will be respectful about how people: whatever, whatever, whatever'." ... there are five specific things, and they are more specific than the generalised value. And they relate to that value, and they are things that it's easier to call a person on or have a conversation about. – Oliver Clarke, CEO (Interview)

By assisting the executive team to reach "working agreements", the CEO not only sets a common ground for how executives ought to "interpret" each TechCorp value, but also

affords them a licence, by virtue of such standardisation, to regulate each other's conformance to them. As a result, a self-regulatory social dynamic is produced within the executive team whereby it is possible to "call a person on" the values. Thus the CEO seems to proceed with the board's values-based cultural agenda by structuring the means, in the form of working agreements, to ensure that values are ingrained at the executive level.

Under the influence of the CEO, the executive team developed working agreements relative to each TechCorp value. This is evidenced in a shared online Google document entitled "Executive Team Working Agreements", which was headlined with the following explanatory statement: "Executive working agreements are simple statements of behavior each Exec team member agrees to abide by." The list of working agreements associated with the *Speak Openly* value is exemplified below (Figure 5.9):



Speak Openly
I make it safe for people to raise unpopular concerns
I give feedback, even when it's uncomfortable
I name the elephants in the room
I assume positive intent when receiving feedback
I am clear and considerate when I speak openly

Figure 5.9 Speak Openly, from the document 'Executive Team Working Agreements'

The foregoing behavioural "statements" or norms regarding interpersonal communication emerge as a type of social contract by which each executive presumably "agrees to abide". Insofar as these behavioural norms are directly associated with the overarching value, a breach of a particular working agreement implies a violation of the value itself. Potential violations in turn become "easier" to address because executives can now invoke specific contractual terms to articulate themselves (see chapter 6).

So successful was the practice of working agreements in terms of facilitating adherence to TechCorp values that the board considered it a model to circulate beyond the executive team. Not only was the "Executive Team Working Agreements" document shared with all TechCorp employees, so that they might review and implement them in their own teams, but the board was simultaneously developing another, more far-reaching document, labelled "TechCorp Values Code". This latter document, created in June 2018, and currently only shared among board members and two executives, aims to eventually convey to all employees the idea of enrolling working agreements when referring to TechCorp values.

For example, the document drew inspiration from the executive team's working agreements to prescribe the following set of agreements for the 'Fairness' value:

Value	Key Agreements
Fairness	I treat others with respect and empathy I help make opportunities widely available I don't play favourites

Figure 5.10 Fairness, from the document 'TechCorp Values Code'

The document represents the board's attempt to recast the executive team's working agreements in a manner applicable to the firm writ large. In doing so, it elucidates the expected behavioural norms associated with each TechCorp value. Hence 'Fairness' implies behaving in such a way as to show "respect" and "empathy". A retranslation therefore seems to be underway; the first being from TechCorp values to executive-level working agreements, the second from executive working agreements to company-wide behavioural norms.

Yet in listing only the "key" agreements, the document also seems to leave it up to the employees themselves to decide which agreement to adopt or indeed develop entirely new ones. Despite this implied openness, the document stresses that "TechCorp as a whole" is expected to "behave a certain way"; reminding organisational members that, ultimately, the "way" of behaving stems from the family's beliefs, as values "guide decisions to align with our founding philosophy and purpose". In this respect, the board seeks to institute a TechCorp-wide "values code", based on the success achieved at the executive level, where working agreements structure the ideational parameters associated with each value – by circumscribing their meaning and setting corresponding behavioural expectations.

Thus family involvement at the executive level emerged as the board sought to acculturate executives into TechCorp's values – that stem from the family's religious beliefs – by conditioning them to refer to values whenever they addressed their respective teams. Further, it arose as the board chairperson and CEO assisted executives to develop working agreements around TechCorp's values as to render them more operational within the

executive team, and beyond. At the executive level, this family involvement signified an attempt to shape the context in which executives operated. Values and working agreements furnished the ideational objects (e.g., behavioural norms) and underpinned the terms of social engagement (e.g., calling each other on those norms) that enabled executives to self-regulate. In addition, spill over effects of family involvement at the *executive level* meant that the firm's *operational level* may not have remained unaffected. Not only were employees potentially exposed to executives' rhetoric around values, under explicit instruction of the family, but also possibly affected by the growing dissemination of executive working agreements across TechCorp writ-large.

5.2.2. Leadership philosophy

The second theme that surfaced relative to the family's influence at the executive level pertained to leadership philosophy. Leadership philosophy emerged as the CEO imparted to executives a particular values-based approach when dealing with others. It also appeared to the extent that executives were affected by the leadership example displayed by other family members. This theme is highlighted for analysis because executives appeared moved to emulate the family's leadership philosophy to which they were exposed, representing thereby a significant empirical instance of family involvement in the executive level of the firm.

On multiple occasions during my fieldwork I observed the CEO sharing his leadership thoughts with the executive team. One such instance where the CEO seemed particularly interested in speaking to executives about his leadership philosophy took place at an executive meeting on 17/04/2018, in which I participated as an observer. In this meeting, the CEO sought to call on executives to adopt a leadership philosophy explicitly aligned to TechCorp's values, and by implication to family values. As the CEO presented, he described that a new type of leadership is required at TechCorp, one that is informed by its *culture*: "we need a cultural version of leadership, not just people or technical leadership." The following are verbatim excerpts from the slide deck used by the CEO:

Cultural alignment and last stop on values

- *Considering designation of a 'cultural/values leader'. People should be able to ask this leader anything, as if he/she were the founder*

What kind of leadership model is needed?

- *One that's built not on top-down control, but principles of accompaniment and support*

Role of the Executive Team

- *Continue and evolve the culture and values*
- *Develop leaders of the future*

Figure 5.11 Verbatim excerpts of the CEO's slide deck on leadership

The CEO views the executive team as responsible for embodying that which he refers to as “cultural/values” leadership. Cultural/values leaders are those who emulate the CEO, as though they themselves were “the founder”, and who yield such moral authority that individuals might ask them “anything”. Such leaders are elevated to an almost priest-like position, (re)created in the image of TechCorp’s Founder, imparting to common “people” wisdom and guidance as they beseech them with their concerns. In acting thus they are called upon to enact Bahá’í-inspired “principles”, such as that of “accompaniment”, as though they are expected to embody the same religious faith as the family (see subsection 5.1.1). Beyond manifesting these leadership attributes themselves, executives are charged by the CEO with the responsibility of developing those self-same qualities in *emerging* leaders, such that, akin to a spiritual movement, they may shoulder their load in carrying forward TechCorp’s “culture and values”. As such, the CEO appears to inform executives as to their crusade in advancing a leadership philosophy that corresponds to his conceptualisation of TechCorp’s ideational attributes.

The CEO’s push towards his leadership philosophy catalysed discussions among executives, who scrambled to find a way to bring it to fruition. For example, at the same meeting, one executive sparked a debate after presenting her view on how to implement the

CEO's vision. Her proposal is reflected in an online Google document she shared with the executive team at the meeting, which I recorded verbatim:

High Level Goals

- *We don't have a resilient, 'tried'n'tested', system for succeeding leadership and keeping continuity of purpose and values*

Solution

- *Leadership that helps people succeed*

Challenges to implement the solution

- *We don't have a systematic way to identify emerging leaders (custodians or 'culture carriers') and develop them*

Figure 5.12 Verbatim excerpts of an executive's proposal to implement the CEO's leadership philosophy

The CEO's vocabulary is seen to permeate the executive's presentation, suggesting the extent of his influence in setting the terms of executive-level deliberations. Echoing the CEO, the executive reiterated the need for leaders to embody culture in becoming "culture carriers", to ensure consistency of "purpose and values", and to "develop" those who will succeed them. She even invoked possible religious terminology when referring to such leaders as "custodians" who will safeguard TechCorp's lofty vision.

Yet not every executive agreed to the executive's implementation proposal. One executive, for example, conceded that "cultural leaders" are important but contested how they ought to come about: "creating cultural leaders, as an added attribute to people's role, seems artificial. Cultural leaders emerge naturally." To this, the presenting executive rejoined: "We need to find a way to produce these cultural leaders." The debate thus proceeded around the tension between the production vs. emergence of cultural leaders. Ultimately, the CEO issued his verdict: "We're trying to systematise something that most companies leave to chance." His choice to "systematise" what might otherwise "emerge naturally" serves to further highlight his drive to shape TechCorp's socio-cultural

environment by actively imposing his leadership philosophy upon those who will help spread it throughout the firm.

Indeed, executives already appeared somewhat captivated by the principles underlying the CEO's leadership philosophy through their interactions with other family members. They reported drawing on the behavioural examples set, and values held by the family to temper their own behaviours. For example, one executive indicated that working closely with the CEO and his father motivated him to "align" himself to the family's "values":

[T]hese values are very proximal to the heart of the family that started the business, and the closer you're to that family, and the more that you're bought into that, the more likely it is that that's how you'll align yourself. So I think it helps my team that I work very closely with Oliver and have done for a long time. And Roger, for that matter. – Bill Kelley, executive (Interview)

Being exposed to close working relationships with family members catalysed a convergence between Bill's professional (and perhaps personal) values and those of the family. For Bill, a connection between proximity to the family and adoption of their values is relevant insofar as being "bought into" the values is contingent on being "closer" to it. Such proximity seems to yield results beyond the executive himself, for it "helps my team" thrive by potentially meeting normative expectations set by the family for TechCorp employees.

Another executive expressed how the family's leadership example encouraged him to emulate their behaviour. In particular, he cites how the CEO and his father set "the behavioural example" for the "rest of us":

When I started, Roger took me aside and said, "The values are really, really important, and you're not doing your job if you don't challenge us when you think we're violating them."... In private meetings, they are taken seriously. They're not laughed at as being imaginary and just marketing, and then you kind of fake that. But I don't know how it happened. I can only assume, by the behavioural example set by Oliver and Roger, and the rest of us try and do that as well. – Jeremy Yass, executive (Interview)

Jeremy ascribes the origins of social regulation to keep each other in check to the manner in which family members themselves behave, for they encouraged others to "challenge us"

should they deem values to be violated. In fact, family members apparently mandated that it be part of Jeremy's "job" to challenge them when necessary. This leadership philosophy displayed by family members seems to add legitimacy to the practice of challenging each other based on values. As a result, values are not "laughed at" or dismissed as just a "marketing" device. Rather, individuals replicate the example set by family members by trying to "do that as well" when employing values to regulate one another. So pervasive seems the reach of values-based social regulation that it emerges even in "private meetings".

That their leadership philosophy sets a behavioural example for TechCorp employees, including executives, is not lost on family members. They appear to recognise their role in embodying that which they wish to see in others. For instance, one board member indicates that it is necessary for "even the CEO" to submit to being challenged so that others might "feel comfortable doing it":

I would hope that everyone feels comfortable flagging decisions directly based on a value. Even the CEO does it, and the CEO feels-- he's happy for other people to correct him based on this and say, "Hey, that's out of line." And the executive team also feels comfortable with that. So therefore I feel comfortable doing it too, to tell other people, "Hey, that's not right." To my boss, even, or whatever the case is. But then there's that concept that the fish rots at the head, and so if the CEO's not doing it, then why would I feel comfortable doing it? – George Clarke, board member (Interview)

Values once again emerge as a universal or religious truth against which others stand to be judged. The CEO himself is depicted as a lamb willingly sacrificed in its altar, for despite being all-powerful, is "happy" to be told when he is "out of line" on values. This display of sacrificial acquiescence is in turn emulated by the "executive team", and thence replicated throughout the rest of the firm. Social regulation thus thrives within the body of the "fish", as the leadership philosophy expounded at its "head" is perceived as alive and well.

However, not everyone agrees that TechCorp's values permeate the firm and inform decision-making. For example, in an interview with a developer, she remarked that senior leadership does not always embody the values: *I don't see the integrity anymore, and things like that.... I see a lot of the cases where the values aren't present in people's actions in senior leadership, which is not good.* Thus, if not the 'head', other areas of the proverbial

'fish' may be rotting according to individuals' experiences of organisational life on the ground. A fuller analysis of individuals' experiences and its impact on moral agency will be canvassed in chapter 6.

To summarise, the family's values-based leadership philosophy seemed to influence leadership behaviour at the executive level, and potentially beyond. The CEO appeared to impose upon the executive team a particular vision for leadership at TechCorp that engenders a series of religiously-informed behavioural norms. These norms entail a leadership style focussed on safeguarding and ensuring generational continuity of TechCorp's culture and values. Executives reproduced such leadership qualities insofar as they were swayed by the behavioural example originating from family members themselves. Further, not only did executives seem to align themselves to family values but also sought to uphold them through the practice of social regulation, thereby influencing social relations in the firm. By imparting their leadership philosophy to executives, family members aimed at preserving the integrity of TechCorp's values, and by corollary, that of their deeply held religious values.

5.2.3. Values-based performance reviews

The third theme regarding the family's involvement at the executive level is that of values-based performance reviews. Values-based performance reviews emerged as the CEO worked with the executive team to trial and refine a system of measuring employee adherence to TechCorp's values. Thus this theme addresses how the family enrolled the executive team as a means to embed TechCorp's values, and by proxy their own religious values, into pervasive structures designed to monitor employees' conformity to them.

Family members sought to implement a performance review system that was neither overly rigid nor too flexible. This stemmed from the CEO's wariness of "overbaking the structure" because "if you try to make a really gigantic sequence of all the rules around truth, it would just be oppressive" (interview). Yet, during an executive team meeting I observed in 08/05/2018, the CEO maintained that this is precisely what had happened with performance reviews in the last financial year: "Last year we probably overbaked it when setting performance goals by trying to get everyone to do things uniformly. We want more flexibility this year." At the same time, however, the CEO suggests that some structure to performance reviews is necessary, such that "your behaviours should be measured against

slightly more objective things derived from our values and/or competencies or behaviours that we would need” (Interview).

Currently, family members seem to consider TechCorp’s 360 Review system as the best means to assess employee performance. Under this system, employees appoint others with whom they work to review their performance, and who do so anonymously. According to the CEO, 360 Reviews are ideal to assess employee behaviour: “the how you go about doing things, whether you’re collaborative or whatnot, is much more something that should be assessed by everyone around you. And then for that to happen, you need some form of 360 process” (Interview). In order to provide for a more “objective” assessment of behaviour or “how you go about doing things”, a specific question about employee adherence to *TechCorp values* is included in the review process:

Also when we do 360 reviews of staff... I think there are four questions from memory. One about what you've done wrong, what you could've done better, what you could do in the future to take you to the next level, and the fourth one is about how you've lived the values of TechCorp. – George Clarke, board member (Interview)

360 reviews establish behavioural expectations by equating good behaviour to the extent to which TechCorp values are “lived”. In doing so, family values become embedded not only in TechCorp’s formal performance review processes, but also in the minds of those who may be called upon to provide a 360 review. In relation to this latter point, insofar as *anyone* can be asked to write a 360 review, it compels potential reviewers to be continuously aware of TechCorp’s values as they scrutinise others’ compliance to them. In this way, 360 Reviews also engender the family’s proclivity towards social self-regulation, whereby individuals are subject to being ‘called out’ on values by their colleagues.

Although 360 reviews are pervasive across TechCorp, the CEO reported that they still lack the desired objectivity to assess values-based performance. As he put it, “Now, the 360 process as we currently have, my biggest complaint is that they are nonspecific. So we would historically ask... ‘How does he go against the values?’ And you’re just like, ‘Oh, okay.’ Sometimes, you get good feedback, sometimes not.” To address this issue, the CEO decided to test whether or not *working agreements* could be used in 360 Reviews as a proxy for measuring adherence to TechCorp values. Here the executive team emerged as subjects for the CEO’s experiment, which first involved getting executives to review *him* against working agreements, before being themselves assessed. Should the experiment be

successful at the executive-level, such a method to “translate the values” would be implemented “more pervasively across the business”:

So right now, I am running my 360 process, which hopefully will be the template for the executive team’s, which is to assess me against those working agreements. So for each bucket, there's going to be a traffic light and feedback, and then I'll do the same thing for the executive team. And I think after that, hopefully we will look at how to translate the values in a similar way to a structure that goes more pervasively across the business. – Oliver Clarke, CEO (Interview)

The “template” for evaluating values-based performance based on working agreements provides “bucket[s]” and “traffic light[s]” in a bid to quantify and thus add more objectivity to the process. Presumably, this would address complaints of nonspecificity and lead to better “feedback” about reviewees’ compliance with TechCorp values.

The CEO shared the 360 Review he received from executives during an interview, where he dwelled on his performance in relation to the Speak Openly value (Figure 5.13). The CEO’s 360 Review was edited for the purposes of conserving anonymity of individuals and of identifiable terms, including the original label of the ‘Speak Openly’ value:

Speak Openly	
	2
	5
	1
Feedback	
I'm not sure Oliver always gives feedback when he has it, although I'm pretty sure he's better at it than a couple of years ago :)	
Providing timely, perhaps uncomfortable/difficult feedback remains an area where Oliver could strengthen. I know he is aware of it and is something that he is working on.	
Is there anything greener than green?	
I do a crappy job of feedback and giving space for concerns and naming elephants.	
I do assume positive intent and am considerate when I tell it like it is.	
I make it safe for people to raise unpopular concerns--> I didn't feel unpopular concerns are welcomed or being taken into account. I am also not sure positive intent is assumed.	
If I had to pick an area for further development, it would be this area. Giving constructive feedback early isn't something that's easy for anyone.	
Oliver has been providing me with constructive feedback (e.g. "bringing out the positive feedback more"). This has been helpful.	
Oliver certainly calls out elephants in the room, which helps with our working environment.	
It's clear that there have been elephants in the executive room of late. I believe these should have been clear to Oliver as the group's leader and addressed. The group is anything but safe (for most members).	
Oliver will give feedback, even when it's uncomfortable and is considerate in doing so. I've found that he struggles to be clear in describing what's "niggling" him though.	

Figure 5.13 360 Review of the CEO’s performance concerning the Speak Openly value

In providing their feedback to the CEO, executives appeared not to hold back from expressing how they felt about the CEO’s adherence to the Speak Openly value. The traffic lights indicate a prevalence of orange and red over green. His lacklustre performance is

underscored by such comments as “it’s clear that there have been elephants in the executive room of late” and “providing timely, perhaps uncomfortable/feedback remains an area where Oliver could strengthen”. Faced with potentially unexpected commentary about his performance, the CEO found himself exposed to social pressure to change his behaviour. As he put it, “I clearly need to work on ‘Speak Openly’... I look at what people have actually said: ‘I don’t know Oliver always gives feedback when he has it.’ That makes sense” (interview). Thus even the CEO appeared moved to adjust his behaviour based on collective expectations about his values-based performance.

Yet, while the CEO acknowledged some of the feedback received, he dismissed others. For example, during the aforementioned interview, he rejected claims that he should have named elephants in the room: “Any elephants in the room? Sort of there’s some stuff that we don’t talk about in the executive team in which some subsets of the executive team kind of know... I don’t know if it could have been any other way” (interview). No doubt by virtue of his uncontested authority in the firm, the CEO could deflect some of the pressure to change his behaviour.

One sentence from the feedback exercise that is worth highlighting is the explosive quote that “The group is anything but safe (for most members)”. This indicates that not all individuals feel comfortable as members of the executive team and the feedback is an attempt to challenge prevailing social dynamics. It may also be seen as a challenge to the CEO’s leadership style itself, pointing to his potential lack of capacity to integrate the team around a common set of values. Ironically, the feedback invokes one of the firm’s explicit values to illustrate the failure of that which the family wishes the values to produce – namely, unity in the firm – or more critically, subservience to the family.

Such issues notwithstanding, as both performance reviewers and reviewees, executives often appreciated the CEO’s experiment in enrolling working agreements as proxies for values. They reported that this method not only helps them understand the areas in which their own behaviour needs to improve, but also to evaluate their own team’s performance. For example, one executive opined that 360 Reviews entail a shift from an exclusive focus on “results” to behaviours, and that adherence to “working agreements” is a useful indication of “good performance”:

As a way of having our 360s be about not just our results, but how we’re behaving, right? And how others see us behaving. And then going, “Okay, cool. I’m doing good here. I could do some work there. Great. I’ve got some feedback now that I can work

on... And we've started kind of bringing that into [my team's] idea of good performance-- part of it is does the team think you're doing a good job of living up to the work agreements you've agreed to? – Harry Ingold, Executive (Interview)

The executive's account highlights 360 Reviews as a legitimate expression of social regulation by documenting "how others see us behaving". The assumption is that individuals will be moved to alter their behaviour to conform with others' perception of them. Thus being the subject of social regulation himself, the executive concedes to "work on" the "feedback" about his behaviour. The efficacy of such a review system is emphasised by the executive's implementation at the level of his own team, whereby performance is tied to compliance to working agreements. Yet the subjective nature of 360 Reviews implies that performance ultimately hinges on others' opinions about a reviewee – how they "see" and what they "think" about him or her. This seems contrary to the CEO's aims to bring about a more objective measurement of performance.

Thus the CEO enrolled the executive team as a means to trial his vision for the ideal values-based performance review system – one that would be neither overly structured nor too flexible. The resulting 360 Review system focuses on employee behavioural performance, where 'good' performance is defined as that which closely aligns with TechCorp's values and corresponding working agreements, becoming a type of moral standard. As such, the 360 Review system engenders an attempt by the family to shape the very definition of performance in such a way as to preserve its codified values, and by implication their own values. It informs human relationships by impelling individuals to gauge and regulate one another's adherence to collective behavioural expectations. Simultaneously, it reinforces cultural factors by driving home the notion that employee performance is linked to compliance with family values.

5.3. Operational level

The third organisational level grounding my data analysis pertains to the family's involvement in TechCorp's operations. Family involvement in operations appeared to the extent that the CEO, with the support of the board, articulated the importance of upholding TechCorp's values to employees. It also emerged as team dynamics at the operational level seemed to reflect the family's religious principles around iterative cycles of action and reflection. Finally, family involvement surfaced insofar as family members influenced,

directly and indirectly, how new employees are hired and initiated into TechCorp's values. This section is presented in terms of three themes: *Communicating the values imperative*; *Operational cycles*; and *Hiring and onboarding*.

5.3.1. Communicating the values imperative

The first theme on family involvement at the operational level appeared as that of communicating the values imperative to employees. Communicating the values imperative emerged as the CEO, supported by the board, employed a range of techniques to set the importance of upholding TechCorp's values. The aim of communicating initiatives centred on encouraging employees to make use of, and deploy, TechCorp values in their social interactions, and so maintain their relevance throughout the firm.

One way the CEO communicated the values imperative to TechCorp employees was by *speaking as TechCorp itself*. A prominent example of this anthropomorphisation is the letter the CEO addressed from TechCorp to himself a decade into the future. The letter crafted in 17/03/2018 was shared with TechCorp employees as an online Google document entitled "A Vision for TechCorp, the Organization". Its preface immediately indicates its behavioural focus, stating that: "This is separate from the commercial 'what' vision. This is the 'how' we will be." By emphasising a future, aspirational "how we will be" the letter conveys to employees how they ought to behave, particularly in relation to TechCorp's values. In 'writing' to the CEO, for example, TechCorp explains that "I am still making values a big deal", recognising that this is "the most important thing" he would like to know after "nearly ten years" away from the firm:

Hi Oliver. It's TechCorp here. It's been nearly ten years since you left me. Hope you've been well. I thought I'd let you know how I'm going. I know you worry. But you don't need to.

I suppose the most important thing you'd want to know is, I am still making values a big deal. Yes, the team still bangs on about them. There's a few changes to some of them - improvements! I promise! - that the team made together. And there's still places we fall over, but when we do, someone calls us on it and we circle the wagons and try to do better.

Say hi to Clara, George, Hanson and Roger for me too!

TechCorp.

Figure 5.14 A letter from TechCorp, from the document 'A Vision for TechCorp, the Organization'

As the letter's 'author', TechCorp not only reiterates the values imperative, but also outlines a vision for how values issues ought to *have been* addressed over the last imaginary decade. This vision appears to revolve around social interaction and self-regulation, as individuals collectively "bang on" about values, make "changes" to them, "call" each other on them and respond to shortcomings in order to "do better". Finally, the letter seems to reflect the family's aspiration that TechCorp ought to rely on a social system of "checks and balances" to "optimise" its values (see subsection 5.1.3).

TechCorp is positioned (as author of the letter) as a moral agent as it employs the first person to set out values-based expectations, and as it seals its message under its own name to create a symbolic signature and endorsement of its contents. Yet its moral agency is inseparable from that of the family; while the CEO gave it its voice, the founding team is explicitly acknowledged as it bids the reader farewell, as if to remind the audience that it is also speaking to, if not on behalf of *their* values-related concerns. Thus the founding team invokes TechCorp as a mechanism to communicate the imperative of TechCorp's, and by implication their own personally-held values.

Another way the CEO communicated the values imperative to employees was by personally addressing them during fortnightly all-staff meetings. In such meetings, the CEO

appeared to continuously remind employees as to the importance of TechCorp's values. At one all-staff meeting held in 30/02/2018 with about 150 employees, for example, the CEO said, in the context of a recent change in leadership, "what doesn't change at TechCorp is two things: The first thing is our purpose... the second is that we're trying to be values-accountable and values-aligned. Everything else is subject to change." The immutable nature of values is thereby established, being that by which all ought to abide and to which all ought to be accountable.

At an interview, the CEO explained that he purposefully uses all-staff meetings to explore values-based issues. This includes publicly addressing a "values question" in order to "remind people" that "anything related to values is important":

I try to remind people in various ways that I like to hear about the values. Anything related to values is important, you can always ask a question against them, that I'm happy to kind of discuss them. And so sometimes I'll be at an all-staff meeting explaining the outcome of the values question that was raised somewhere. So people will go, "okay, well, it's clearly okay to raise it, clearly okay to escalate it, and clearly this is taken seriously." And therefore, they'd feel empowered to raise it in a meeting.

– Oliver Clarke, CEO (Interview)

The CEO appears to see himself setting a values imperative tone that will gradually percolate to the rest of the firm. Unlike TechCorp's letter, in which the communication was unidirectional, at all-staff meetings the CEO is "happy" to "discuss" values issues, for example by explaining a values-based decision. In an allusion to the need for social regulation, he hopes that employees will come out of such meetings believing that values are "taken seriously" and thereby "feel empowered" to invoke them elsewhere in the course of their daily interactions.

Although speaking directly to employees via 'TechCorp' and all-staff meetings, the CEO notes the role of the executive team and the board in persuading employees to uphold the values imperative. For him, "frontline" employees "need to believe" that the executive team and the board will make values-based decisions if they were to raise any morally-charged concerns. Only by doing so would employees stand convinced that "the organisation does in fact want" them to "behave this way":

I think for a frontline person to be able to feel empowered to cite the values, they need to believe that if this matter made its way to the executive team or the board, that it would come out 'called on values'. To be empowered, you need to believe that the thing you're advocating for would be upheld, so to speak... So the first thing you need to believe is that the organisation does in fact want you to behave this way. – Oliver Clarke, CEO (Interview)

The board and the executive team are invoked as the touchstone by which employees' faith in the system of social regulation can be tested. For the CEO, it is not enough to "empower" them to "cite" the values in their daily interactions; they need to see the workings of the board and executive team in order to *believe* that the values would be "upheld". Thus it seems that for the CEO, all governance participants, in their blurred relationships, are needed to push TechCorp's values, and the family's by extension, down through to TechCorp's operational level. Indeed, only when all governance participants are involved, will employees come to realise that beyond the will of the CEO, this is how TechCorp itself 'wants' them to behave.

Other family members appear to lend their support to the CEO's efforts to communicate the values imperative. They agree that social interaction and self-regulation are necessary if TechCorp's values are to remain relevant. As one board member stated, "we put out this idea that you can challenge a decision based on the values" (Interview). Another board member emphasises how she is "proud" and "amazed" that teams explicitly cite TechCorp values in "discussions":

At the very least, there's discussions, and I think I'm always very proud of the fact that you will see those values that we have come up in conversation, like with the teams... But is this just about the money? Are our stakeholders thriving? Another one is 'Speak Openly'. Are we speaking openly if we say this? They actually use it as a structure in order to make decisions, which I'm consistently amazed by... – Clara Clarke, board member (Interview)

TechCorp's values are depicted as a "structure" to assist team decision-making. Values seem to inform the actual language teams employ to articulate their concerns, for the questions they ask are literally couched in terms of the values, for example, "is this just about the money?" The very use of such terms indicates that family-inspired firm values, are held to be important behavioural norms that guide employee interactions. Thus for Clara, teams

are already absorbing the values imperative that the family infused into TechCorp's operational level.

However, despite the family's efforts to variously communicate the values imperative, TechCorp employees did not always view the *application* of values as wholly incontrovertible. Even those closest to the family, the firm's executives, confessed the challenges in negotiating between the different values. One executive framed it thus: *people have been able to grab some of the values and use them. The thing is-- at times, they're in competition with each other... We have some constraints around sustainability of the business... so we can't just say yes to everything and yield to everything the stakeholder wants to have.* This suggests that interpretations about the *relevance* or weight of particular values in particular situations may differ, potentially producing different experiences of individual moral agency among interlocutors. The impact of multiple and conflicting interpretations about values will be addressed in more detail in chapters 6 and 7.

Despite the view that values may be inherently in conflict, it can be concluded that the family exercised some influence over TechCorp's operations insofar as the CEO, coupled with the support of the board, sought to influence how employees related to family-inspired firm. To do so, a number of communication techniques were employed, ranging from invoking TechCorp itself as a moral agent to convey 'its' expectations, through to directly addressing employees at all-staff meetings. Values thereby became part of organisational parlance, to which individuals referred as they interacted with each other. This underpinned the practice of social regulation at TechCorp, whereby individuals found space to control each other's behaviours by invoking firm values as their supposedly common moral denominator.

5.3.2. Operational cycles

Operational cycles emerged as the second theme as the family's Bahá'í principles coincided with recurring cycles of action and reflection at TechCorp's operational level. Empirically, cycles of actions and reflection surfaced as operational teams organised their workloads according to sprints and retrospective meetings. At TechCorp, sprints and retrospective meetings comprise fundamental elements of its Agile approach to operations, present to varying degrees both in delivery (e.g., product development) and in non-delivery teams (e.g., Human Resources). Among other Agile features present at TechCorp (e.g., Stand-Ups),

sprints and retrospective meetings were singled out for analysis due to their significant *cyclical* characteristics, which in turn shaped how teams operated.

TechCorp's operational teams, such as product delivery teams, often functioned according to two-week work periods called "sprints". During these short, time-bound intervals, teams would strive to deliver on pre-defined objectives and goals. The aggregate, organisational-level effect of sprint cycles was to produce a common operational pace that synchronised work efforts across TechCorp employees. During my interviews with employees, for instance, participants commonly described sprints as the organisational "pulse", "rhythm", "heartbeat" or "cadence":

For instance, we all operate in this sprint basis, so there's a rhythm. Today, for example, we are in Sprint Number 18. We're in the second week of Sprint Number 18. Next week we're going to start the Sprint Number 19 of the financial year 2018. And in July, we're going to start Sprint One again. So that give us a rhythm. – Sam Campbell, Agile Coach (Interview)

[S]o the two-week sprint is pretty much the heartbeat of the organisation... there's definitely a two-week sprint cadence and pulse to the business. – Harry Ingold, executive (Interview)

Sprint cycles engender a structured approach to work that is both iterative and recursive. They are formally embedded in operational life by providing a ubiquitous, numerically-defined pattern of work intervals, making them traceable and predictable. This impelled employees to organise their conception of *time* in an almost fractal-like manner, locating themselves within a given "week" of a particular "sprint" in a certain "financial year". The gradual build-up of sprint iterations signals the onward march of time, culminating at the end of the financial year, whereupon the entire pattern is reset and resumed from a new base, *ad infinitum*. Each new cycle at year-end offers at the same time a measure of stability and of renewal for TechCorp's operational workforce. However, while the sprint "heartbeat" may bring life to the organisational body, it does so at the cost of imposing what seems like a strict *modus operandi* upon its employees.

Other than iteratively dictating the work pace, sprint cycles allowed operational teams to recursively look back upon themselves in moments of reflection. Participants reported that reflective moments at the close of a sprint period enabled teams to consider past actions

and address emerging issues. For example, one participant described how “that point of reflection” after a sprint cycle allows teams to “look back” and discuss what happened “in the past”:

[W]e use the two-weeks sprint cycle... The most unique and important part of the whole Agile model is actually seeing every two weeks and looking back at what's happened, and not focusing on the future, just what happened in the past... I find that to be the most helpful part because it provides that point of reflection. It also provides a forum where the issues that can come up... And it's up to the whole team to really let things build up to the surface and talk about what they want to talk about. – Bill Kelley, executive (Interview)

Looking back emerges as a vital glance to the past that rearranges the present; operational teams are momentarily granted the privilege to merge the past with the present, while foregoing the “future”, to address today what happened yesterday. Operational teams are afforded the opportunity to resolve “issues that can come up” and thus develop resilience by finding means to improve themselves. Yet this autonomy presupposes a certain degree of maturity to deal with the continuous pressure to improve, for “it’s up to the whole team” to produce an open “forum” where things can “surface”. Teams that fall short may potentially continue to replicate old, unproductive modes of being and operating.

Structurally, reflective moments in sprint cycles take the form of retrospective meetings or what participants call “retros”. These are formal meetings explicitly designed to foster team reflection. As the CEO put it, “the way the retros are supposed to work is to try to create an environment where people feel that they have an open forum to voice things that are or aren’t working” (Interview). Retros thus appear as a structural imposition within the broader sprint cycle to systematise team reflexivity. Deployed appropriately, such structural imposition potentially creates a team-based socio-cultural “environment” whereby team members can address how they operate.

Beyond the team-level, retros are seen to reproduce and promote an organisation-wide pattern of reflection. As another participant indicated, retro-induced reflections echo a broader socio-cultural trait that involves continuously “taking a step back and reflecting”:

If I ditched everything about Agile except for one thing, I would keep the retro. Now, I might make it project-based instead of sprint-based, or I might do something-- but

you need that-- you do need reflection... Taking a step back and reflecting is, I think, a massive part of TechCorp's culture. – Harry Ingold, Executive (Interview)

Reflection comes across as an indispensable operational practice, standing almost independently of any particular work arrangement, for it is “need[ed]” regardless of whether it occurs after a “project” or “sprint”. It seems it is already embedded as a “massive part of TechCorp’s culture”, indicating its current prevalence and influence over how individuals operate. Harry’s emphasis on the importance of retros echoes that of Bill’s above, who also opined that reflection is “the most unique and important” aspect of the Agile framework.

Embodying as they do a particular pattern of action and reflection that permeates TechCorp’s operational level, it is unsurprising to find that sprints and retros are explicitly endorsed by the CEO on the grounds of religious values. Empirically, this realisation emerged quite spontaneously as I asked the CEO’s opinion on the topic of sprints and retros. He responded by immediately invoking the Bahá’í Faith, potentially prompted by his awareness that I too share his religious beliefs. It is not clear whether or not he would have still mentioned the Bahá’í Faith were he speaking to someone who did not subscribe to it, but the fact that the family has so openly shared the religious underpinnings of their behaviour with others (e.g., the external consultant; see subsection 5.1.1) leads me to surmise that he is not in a particularly privileged position. The interview excerpt is displayed below:

Researcher: [O]ne thing I do notice here at TechCorp is retros happen everywhere, right? In teams, in project circles, and it seems to be an interesting space.

Oliver Clarke, CEO: It's a bit like the reflection pattern in the Bahá’í culture, if that's a thing. The idea that you plan, you do stuff, and you reflect on it. I think that's-- it's like all powers, very simple, actually, but powerful.

The CEO parallels TechCorp’s operational cycles with that obtaining in the “Bahá’í culture”, marked by behavioural patterns of planning, doing and reflecting. In both religious and corporate settings, such cycles are held to be structurally “powerful” insofar as they mould collective behaviour and outcomes. While the origins of TechCorp’s sprints and retros could not be traced to any particular empirical instance of family involvement, their emergence potentially being a function of the industry in which TechCorp operates, the fact that their

underlying principles converge with those of the Bahá'í Faith does not seem accidental. Indeed, the prevalence of such operational cycles throughout the firm appear to testify to the CEO's continual endorsement of their role in bringing about and sustaining a desired socio-cultural dynamic in line with the family's religious values.

Operational cycles, then, emerged as a structural influence over human relationships, the underlying principles of which correspond to the family's religious values. This structural influence became salient as sprints and retros impinged upon TechCorp's operational teams. While sprints imposed an iterative and recursive work rhythm, retros systematised moments of reflection. The ensuing operational cycles appeared characterised by a pattern of action and reflection, the dialectical nature of which reproduced and contributed towards a broader socio-cultural feature at TechCorp.

5.3.3. Hiring and onboarding

Family influence over TechCorp's hiring and onboarding processes emerged as the final theme on family operational involvement. Involvement in hiring became salient as family members sought to attract particular types of candidates and succeeded in imposing the use of a values-fit questionnaire in job interviews. Family members also saw themselves personally involved in the onboarding programme of new employees, in which they explicitly referred to the significance of TechCorp's values.

Family members appeared actively engaged in shaping TechCorp's hiring process – from attracting candidates through to structuring job interviews. The purpose of such operational involvement seemed to revolve around ensuring that prospective candidates are aligned with TechCorp's values. For example, one family member described how she publicly projects TechCorp as a “values-driven” business, rather than one solely focussed on “revenue”, so as to attract “people who are values-driven themselves”:

I think a certain type of person comes and works at TechCorp and does really well here. And my gut feeling is it's people who are values-driven themselves. And I think maybe that's why it all works. We really publicize the fact that we're values-driven. And we really go after awards. And they're based around that and we talk about it all the time. Anytime I do press I'm talking about TechCorp values. I'm never talking about revenue... So I think that there's a certain type of person who's drawn to that.
– Clara Clarke, board member (Interview)

Clara's publicity endeavours stem from the assumption that successful candidates are those who will come to align themselves, if not already, with TechCorp's values, and thereby with those held by the family. These candidates not only have a better chance of getting hired, but also of thriving in their careers by doing "really well here". Others who do not fit the mould of "a certain type of person" are excluded from the outset. As a result, candidates who may be "driven" by values other than TechCorp's face the risk of being turned down. In effect, Clara's intervention imposes a cultural, values-based constraint that segregates those deemed qualified to work at TechCorp from those who are not.

This family-induced values constraint is also seen during the current interview process. Traditionally, candidates who made it to the interview stage underwent a form of cultural screening. But as one family member recounts, "that portion" of the interview had to be readjusted due to a misplaced focus on the candidate's personal and social qualities, rather than on their grasp of "our moral compass":

When we interview that's also raised. Initially we kind of just talk about the culture--are they culturally aligned? And after a while, we realised there was a misinterpretation that culturally aligned means that they are the same as me. No, that does not mean that they're the same as me, that I can easily hang out with them and chat with them. Culturally aligned means do they understand our moral compass and where we're coming from? Are they aligned from a values perspective? So there was actually a realignment of that portion of the interviewing stage. – George Clarke, board member (Interview)

The board's concern with applying the 'right' definition of "culturally aligned" led to its intervention in what would otherwise have remained typical management and operational territory, namely, employee hiring. Yet, when it comes to TechCorp values, the family seems ready to monitor how individuals interpret what the values "mean" and promptly act to remedy any "misunderstanding". Structurally, the interview process itself was changed through the family's imposition of its own conception of "values".

Another manifestation of the family's intervention in the interview process emerged as that of a values-fit questionnaire, applied to prospective candidates. The values-fit questionnaire aimed to focus interview questions on TechCorp's values. As one family

member explained, this “values-fit interview” is deployed regardless of the candidate’s technical qualification “in terms of the role”:

I think when people are first interviewed to work at TechCorp, there’s a values-fit interview in every other interview. So we do multiple rounds of interviews, and every other interview, you basically go in and you ask the candidate whatever you think needs to be asked in terms of the role. For that last interview, those questions are structured. – Clara Clarke, board member (Interview)

Once again, the notion of “fit” alludes to the family/board’s preconception of those whose values ought to render them worthy of employment at TechCorp. Through a “structured” set of questions, the interview process aims to match a candidate’s *personal* values to those of the *business*, and by extension to those held by the *family*. The matching of individual and corporate values is suggested in the wording of the values-fit questions itself. For example, in a document entitled “Values Based Questions”, the question on TechCorp’s Diversity and Inclusion value reads as follows:

The next question relates to our value: **Diversity and Inclusion** - We thrive when we champion diversity and inclusion. We make better decisions, we’re stronger and happier, and it’s the right thing to do. It is our responsibility and privilege to be somewhere talented, value-driven people thrive. We are welcoming, respectful and supportive at work, on our sites, and in our community.

5. Inclusiveness in the tech and digital industries has come under scrutiny recently. What are your thoughts on diversity in the tech industry?

Figure 5.15 Example of values-fit interview question, from the document ‘Values Based Questions’

The question explicitly connects “our value” to “your thoughts”. The premise underlying such structured interrogation remains that *certain* thoughts on diversity and inclusion are favoured over *others* – which calls into question the family/board’s commitment to diversity in the first place.

Yet it is not only the *job candidate* who is affected by the values-fit exercise. The *interviewer* may potentially come to see TechCorp’s values as the gold standard against

which to judge others' values as 'right' or 'wrong', thereby being him- or herself conditioned to hold such values as unchallengeable truths. Ultimately, interviewers act as gatekeepers at the service of the family, reproducing the cultural attributes engendered in the values as they impose them upon others.

Not content with solely influencing the hiring process, family members personally took part in the onboarding of new employees. This personal involvement aimed to imbue fresh recruits with the significance of TechCorp's values, and to encourage them to uphold them. For instance, while one family member jokingly quipped that new hires are "brainwash[ed]" into using "the values", another revealed how such brainwashing occurs; namely, by recounting "stories" about values so that new employees realise "it's got real life in them":

New people come in and you brainwash them [laughter]. But I think it's not just superficial, I think all companies really do want to actually empower people and also give them the values by which they make decisions. Superficially it might look like indoctrination or brainwashing, but there is an actual purpose to it. That you are trying to let them know how we make decisions here. – George Clarke, board member (Interview)

Like Oliver has this story, which he says at the induction... he talks about the values and then he gives stories behind some of the values, so people realise it's got real life in them. – Roger Clarke (Interview)

When it comes to imparting TechCorp's values – and hence those of the family – to new employees, the end seems to justify the means: "indoctrination" through storytelling is justified by its "actual purpose", that is, to inform new employees about how decisions are made at TechCorp. Although George dismisses the use of such ideological techniques as "superficial", he also rationalises that "all companies" seek, in one way or another, to "give" its values to its employees. Yet something more sinister may be happening that prompted George to joke about brainwashing methods. In another portion of the interview, he indicated the need for complete reproduction of values throughout the firm, thus implicitly disallowing any challenges to be levelled against them. The image he invokes to explain this is dramatic, calling on employees to 'be' Oliver: *You simplify the values down. You kind of formalise them and make them really simple so that you can copy them into everyone else's head so that*

they're all making the same decisions. They all become like mini CEOs, and they go, "What would Oliver do?"

On 11/04/2018, I was afforded the opportunity to participate in a new employee induction, to witness first-hand how such 'brainwashing' may operate. At the time, 10 new employees participated, along with the CEO, six executives, and three HR personnel. Excerpts of observational fieldnotes are presented below:

- *After a brief introduction from an HR representative, the CEO took over and immediately started talking about TechCorp's values: "We take our values pretty seriously. Everyone has got values and the more we live with our values the more well-rounded person we are. The worst thing is to think something and do something else. The same thing happens with companies – you have to think values and do accordingly."*
- *The CEO provided examples on how each of TechCorp's formal values have been applied in real-life scenarios in what he dubbed "values in action". He said, "the intersection between values and money is an important test for our values. We are here to build a business, but we are trying to do so consistently with our values. It's not charity, it's consistency."*
- *Finally, the CEO concluded, "the values are like a trump card in a card game, it overrules everything. We're all accountable to the values. You should feel empowered that you can and should call into question things based on values."*
- *A video of Clara Clarke, as TechCorp co-founder and board member, was subsequently shown. In it she emphasised the importance of diversity: "Diversity and inclusion is really important to us as founders, and to me personally. Tech is going to be very influential in our lives going forward and we don't want only one demographic to be driving this."*
- *Thereafter, members of the executive team introduced themselves and took questions from new hires. When asked about their biggest challenges, one executive said, "retain the culture and values as we continue to grow." Others chimed in, "it keeps me up at night" and "the values here aren't 'BS', they're front and centre for us."*

Figure 5.16 Fieldnotes from the new employee induction held on 11/04/2018

All traditional governance participants – family owners, board members, and executives – descended into the operational level to convey to new recruits the significance of TechCorp's

values. The CEO recognises the “test” or challenge of upholding the values, but once again anthropomorphises TechCorp to compare it with a “well-rounded person”, free from hypocrisy between that they “think” and “do”, which he otherwise describes as the “worst thing”. Presumably, this device is geared towards depicting TechCorp in less of an abstract light and more akin to a typical human who has “got values” and strives to “live” them with a certain measure of integrity. In making his aversion to corporate hypocrisy clear, the CEO issues a licence for social regulation. He entitles new employees to “call into question things” on the grounds of values, but also admonishes that they are “all accountable” to them, such that they are liable both as objects and subjects of social regulation.

Although not physically present, TechCorp’s co-founder and board member, Clara Clarke makes her presence felt by making a “personal” appeal concerning diversity. She appears to call on new employees to join the diversity and inclusion cause, which TechCorp has embodied as a codified value. Yet, ironically, this stands in contrast with attempts to “brainwash” employees by committing them to a narrow range of values tightly held under the family’s own postulations. While TechCorp searches for a more egalitarian “drive” of tech in society, it is constrained by how it construes (and limits) its own “demographic” diversity.

Given the family’s focus on values, it is perhaps unsurprising that executives echoed, if not mimicked, the co-founders’ sentiments on the importance of TechCorp’s values. Responding to new hires, executives alluded to the “challenge” of upholding values, to the emotional impact of values as they “keep me up at night”, and to their own distaste for hypocrisy, since values are “not ‘BS’”. At the very least, this suggests the extent to which executives’ discourse is dominated by the language of values. Dramatically, the new employee induction saw a convergence of all traditional governance participants – family owners, board members, and executives – at the operational level, bound together by their espoused allegiance to family-inspired TechCorp values.

In sum, family operational involvement influenced the overall context to which individuals were exposed. This included individuals not yet employed at TechCorp. For instance, family involvement entailed the public projection of a portion of those ideational features that comprise TechCorp’s working environment. It also imposed upon prospective candidates presumably attracted to such features a series of structured questions to ascertain their *a priori* compliance with TechCorp’s values. Those recently employed at TechCorp, likewise, were swiftly introduced by family members and executives to the firm’s normative environment, including the imperative to uphold codified values and the licence to engage in social regulation. As such, blurred governance relationships, through family

involvement in TechCorp's operations, played a significant role in moulding the individual experiences in the firm. It is to such experiences that this thesis turns to next.

Chapter 6: Findings – Enabling and Constraining of Individual Moral Agency

This second findings chapter explores how individuals experienced a sense of enabled and constrained moral agency as they operated under blurred governance relationships – that is, family involvement in governance and management – at TechCorp. It complements the previous findings chapter by considering the *agency* component of the structure-agency equation, thus mobilising empirical material to further address the first research sub-question: *How do blurred governance relationships and individual moral agency manifest in a family firm?*

The themes presented in this chapter arose as I interpreted participants' subjective deliberations about their concerns *vis-à-vis* the organisational structures within which they were situated. Three main themes emerged as individuals deployed distinct strategies to address their moral concerns, and thus exercise moral agency: (1) Deferring; (2) Voicing; and (3) Challenging. *Deferring* emerged as the strategy of enlisting the firm and/or the family as proxies for addressing one's moral concerns. *Voicing* represented an active stance that individuals took to directly articulate their moral concerns to others. *Challenging* entailed the more active engagement of calling into question behaviours and decisions based on one's moral concerns. Within each theme, data analysis informed sub-themes that arose as individuals pursuing these three agentic strategies felt enabled or constrained by virtue of seeing their moral concerns appeased or frustrated when interacting with organisational structures.

Data analysed in this chapter draw from interview transcripts and observational fieldnotes to capture the nuances germane to the experience and dynamics of moral agency. Moreover, given the overarching aim of this thesis to investigate the effects of blurred governance relationships upon individual moral agency writ-large, this chapter is based primarily on data gleaned from TechCorp's operational level, aiming for breadth and diversity. However, because TechCorp's owners are intertwined with the firm's operations, some accounts also reflect data emergent from its governance and executive levels.

6.1. Deferring

The first sub-theme associated with moral agency emerged as individuals attempted to defer to the firm or to individual family members the prerogative of addressing their moral concerns. This somewhat passive expression of moral agency became salient as individuals interpreted their concerns as appeased by the actions they ascribed either to TechCorp or to a particular family member, such as the CEO. However, individuals attempting to deploy this agentic strategy also experienced a sense of disabled moral agency when they perceived prevailing organisational rules as either overly strict or too flexible.

6.1.1. The firm and family as conduits for moral agency

Participants often cited the family's pursuit of non-economic goals as a reason for working at TechCorp. They seemed attracted to such goals as they supplied an alternative to the profit maximising motive of other businesses. One participant, for instance, extols the CEO's "leadership" and "vision" in steering the firm towards ends beyond just "a ton of profits":

TechCorp doesn't seem to be the sort of company that just wants to make a ton of profits like some other big companies you might see. And even looking at it, Oliver gave a talk two weeks ago on his vision for the kind of future of how the company would be run... The decisions you would make if you were a public company is just really to maximise profits. I don't think that's something that, at least from his kind of leadership point of view, I don't think that's one of the things he's just looking for. So yeah, that's actually the most important thing for me for why I like working here and I know that the decisions and things that happen with that as a kind of final vision, they tend to be a bit more just and right... – Donald Nguyen, Developer (Interview)

Donald's moral concerns about profit maximisation, such as that might be pursued by "other big companies", seemed automatically dispelled at TechCorp, whose approach to business he considers "more just and right". He predicates his position on a belief that the CEO's priorities differ from those held by, say, a "public company", facing market pressure to optimise shareholder value. Of course, such belief may be misguided – intentionally or inadvertently – by virtue of the CEO's "talk". But insofar as the pursuit of non-economic goals (re)directs organisational resources towards other objectives, such ideational arrangements

allow Donald to subjectively, if not potentially erroneously, rely on the firm to address his moral concerns.

Other participants viewed TechCorp's pursuit of non-economic goals as a way to indirectly contribute to society at large. This stemmed from the idea formed and held by participants that TechCorp is a socially responsible business. For example, one participant depicts the firm as not only about making "more money for shareholders":

[O]ne of the things that really bothered me with some of my previous employers was that the business didn't actually put back into the community at all. It was, how do we just make more money for shareholders. And it just didn't really sit very well with me, personally, with my own beliefs... [Here] there's a volunteer day. We've got an active Slack channel. We've got a blood donation group... So you can sign up with the Red Cross, and you can be a group. – Mirta Flores, Sales Coordinator (Interview)

Volunteer days and blood donation groups emerge as cultural attributes that allow Mirta to interpret her moral concerns as appeased. Such cultural factors impel Mirta to use TechCorp as proxy for putting "back into the community" – a personal moral commitment reflective of her "beliefs". Her moral concerns seem appeased even if she is not *personally* involved in any particular initiative, such as, say, the Red Cross group; what concerns her is *TechCorp's* position in comparison to that of her "previous employers", whose exclusive financial focus "didn't really sit very well" with her.

Participants commonly attributed TechCorp's socially responsible practices to the family's values. For example, one participant posits that the CEO's "moral standards" and "ethical values" prompt TechCorp to pursue profit with the purpose of "actually doing good things":

From Oliver, the way he interacts with, you see on him, the way he speaks, that he's a person with moral standards, with ethical values, and he runs the company according to principles... You can actually make money so you can invest in actually doing good things... You allow this mum to be a mum and have a career. You allow this Indian girl to be a programmer. So that way, I want the company-- I also want the company to succeed more so we can do more. And I think I make myself better here—both professionally and personally. – Maria Wood, Marketing Analyst (Interview)

Maria's moral concerns about social inequalities that disadvantage women minorities (e.g., working mothers and ethnic women) appear addressed by virtue of the "principles" by which the CEO "runs" TechCorp. Indeed, she sees these principles almost embodied in the CEO himself, in the way he "interacts" and "speaks", as though he were their veritable source. At TechCorp, these principles are materialised in the way it "make[s] money" to "invest[s]" in social good. This permits Maria *qua* employee to exercise moral agency by helping TechCorp to financially "succeed" so that *it* can attend to her moral concerns on her behalf. A form of mutual interest between Maria and TechCorp is established whereby "we can do more" as the firm succeeds. Perhaps counterintuitively, her sense of personal moral accomplishment is rendered contingent upon the firm's financial outcomes. Yet she appears content with this seemingly oxymoronic arrangement, for she claims she can "make myself better here" as a purportedly virtuous moral cycle binds her professional and personal lives.

Participants deferred not only to TechCorp to address their concerns, but also to the family itself. This deferring to the family occurred even when family members undertook to gradually stand down from the firm to focus on other social causes, as was the case with TechCorp's co-founder and board member, Clara Clarke, who started a social enterprise. As one participant put it, Clara's new venture "adds" to that which TechCorp does by way of social action:

I think a lot of the things that the company does-- so starting up the TechCorp Foundation, it's a really big thing. I think that's really cool. It's good to see. Giving us the volunteer days... It seems to be self-perpetuating. And just knowing things like Clara starting her business, and knowing that that's a socially aware kind of company that's donating to The Hunger Project. So, yeah, just little things like that. And it all kind of adds up together, and it's very much on my radar... I'm just really aware of it and it resonates with me. – Dylan Garcia, Tech Lead (Interview)

The family itself represents an enabling institution for those wishing to exercise moral agency. It enables agency insofar as participants see the *family* as a means to address their concerns, regardless of the particular organisational form employed to do so. Thus Dylan appreciates Clara's "socially aware" business, even though it has nothing to do with TechCorp. On the contrary, Dylan appears to consider Clara's social venture as indistinguishable from that which is being deployed at TechCorp by way of, say, its

“Foundation” or “volunteer days”. All these initiatives combine to yield a “self-perpetuating” system associated with the family – to which individuals can defer to cater to their concerns.

Thus individuals found space to exercise moral agency by deferring to TechCorp or the founding-family the prerogative of addressing their moral concerns. While TechCorp’s non-economic goals enabled participants to defer to the firm, the perceived virtuosity displayed by family members underpinned participants’ deferral to the family or family members. As a result, this passive expression of moral agency can be seen as largely contingent on the values and behaviours organisational members ascribe to TechCorp or members of the Clarke family.

6.1.2. Disillusionment

Although some participants used the firm or family as conduits for moral agency, others reported what seemed like experiences of disabled moral agency when operating in certain situations shaped by the family. Specifically, individuals regarded their moral concerns as unsatisfactorily addressed when confronted with rules and procedures that they perceived as being either too rigid or too flexible.

Participants raised the topic of rules and procedures primarily as they related to performance and attendant issues of career progression and promotion. They suggested that attempts to too rigidly systematise performance processes may actually run against TechCorp’s values and reduce critical thinking. One participant compares performance processes to impartial “instruments and tools” that undermine TechCorp’s values, like “Fairness”, and cause individuals to “abdicate thought”:

If someone's put into a performance management plan, this is a process that ends in termination. It probably would never have happened in TechCorp with Oliver. He would have chatted to someone, "Is it what you want to do? Why aren't you performing at work? Why are you not turning up? You're unhappy. What's happening?" They'd figure it out together, get to a place that they were comfortable with and move forward.... It's like, “Well, hang on. What happened to the culture here? What happened to ‘Money is Not Everything’, ‘Fairness’ and ‘Trust and Support’?”... you learn what bureaucracy is. It is a totally impartial tool. They're just instruments and tools. And when they're deployed dispassionately, when we follow the processes, you ask, “Why does that kid get his head chopped off? No one said

chop a head off.” It was like, “Oh, well, that process it ends in heads being chopped off”... when humans are vehicles of bureaucratic-- we sort of abdicate thought. – Michael Hughes, Team Lead (Interview)

Michael appears unable to defer to Oliver the prerogative of addressing his own moral concerns with respect to performance management outcomes. For Michael, Oliver would have prevented the potentially premature “termination” of individuals on account of poor performance by becoming personally involved in the situation, and thereby upholding TechCorp’s “culture” of “fairness” and “support”. Oliver’s personal touch is replaced by cold “bureaucratic” structures that blindly result in “heads being chopped off”. Rather than exercising moral agency to critically interrogate such outcomes, individuals are rendered “vehicles” or agents of that self-same organisational context by “dispassionately” reproducing existing practices, such as its “termination” processes. Even recourse to factors presumably designed to *facilitate* moral agency, such as TechCorp’s values, seems of no avail when faced with the imperative of addressing “a performance issue”. Accordingly, individuals appear to confront a series of tensions that direct them to make what they perceive as a mutually exclusive choice between ‘values’ or ‘performance’. In this case, performance goals are held to trump those associated with values, leaving individuals with a sense of disabled moral agency.

Whereas rules and procedures constrained participants when deemed too rigid, a similar disabling effect emerged when they were perceived as too flexible or altogether non-existent. For instance, one participant suggests that she fell prey to “bias” when seeking to advance her career because there is no clear promotion “process” at TechCorp:

I had meetings with the [leading executive] to say, “What do I need to do? What do I need to show you to get to the next level?” And he would say things like, “I wouldn’t even be considering it because you haven’t been working long enough in the role. You need to be at least two years doing this before we’d even think about it.” And then a month later someone got promoted who had been doing it for a year and a half. So I was like, “You’re telling me things that aren’t true. I don’t understand what the process is.” ... What they were saying to me is that they were accepting that there wasn’t a process. And I was kind of saying that that leads to bias and lots of other things that aren’t great... I probably held too much negativity about it for a long time

but my attempts to fix the situation all fell on deaf ears. – Beatrix Evans, Developer (Interview)

Beatrix's concerns about the unfair treatment she received were left unaddressed since no formal processes were available to which she could defer and appeal her case. Indeed, the lacklustre response with which she met as she attempted to "fix the situation" might well have resulted from, or indeed been symptomatic of, not having a properly defined promotion process. Hence her endeavours to cater to her moral concerns "all fell on deaf ears". Yet the absence of a defined *promotion* process may signal that *other* factors are at play. Although Beatrix might have been surprised by others "accepting that there wasn't a process", this might illustrate her own ignorance as to the actual norms in place influencing how individuals get promoted in the first place, like the person who got promoted after only "a year and a half" on the job. One may well speculate that in her case, promotions depend less upon formal processes than perhaps upon informal, but no less structural, mechanisms, such as interpersonal relationships.

Participants indicated that the absence of formal rules and procedures at TechCorp is a vestige of a time when it was still a small firm. They suggested that flexible rules and procedures suited the firm when it had fewer employees, but now a more rigid set of arrangements is necessary. For example, one participant maintains that, for its size, TechCorp is "too flexible", which undermines "procedural fairness" and a "sense of ethics":

So at TechCorp it is the total opposite, to a point where it could be a little bit too flexible. I think though the flexibility is great when you perhaps have an organisation that's got sort of 50 to maybe 100 people. But when an organisation grows past anywhere, say, from 250 to 300, I think there does need to be some sort of guidelines in place just to ensure I guess procedural fairness... It creates a sense of ethics and fairness as well because everybody is following the same sort of thing. A decision is based on merit, or performance, or whatever. So to me that's an ethical decision because it's based on certain key criteria, whereas if it's just, "Well, you've been here. You're doing a really good job. I'm going to put you forward for a promotion," can be perceived as unfair, so.

– Robert Jackson, Business Analyst (Interview)

In a small organisation, "of 50 to maybe 100 people", flexible promotion processes might have worked to maintain a coherent system within which all employees operated. Since at

that point they had all been exposed to the same promotion 'rules' there might have been little reason about which to complain or, had any injustice been detected, all shared the same set of organisational arrangements within which to put forward their case. However, in a larger organisation, the lack of formal promotion structures may result in a proliferation of distinct and conflicting norms, each shaped by varying "criteria" by which individuals are put "forward for a promotion". This divergence of criteria "can be perceived as unfair" for individuals exposed to one set of norms that might be disadvantaged in relation to others with equal "performance" exposed to another. Under these circumstances, however, the lack of *overarching* structures to regulate what is an organisation-wide issue, namely promotion, means that individuals might find themselves hard-pressed to exercise moral agency by calling upon more universally-accepted norms for a more "ethical decision". Put differently, individuals are unable to rely on, or defer to, "guidelines" to ensure that their moral concerns about the ethicality of promotion decisions are addressed.

To conclude, participants indicated that rules and procedures are disabling of moral agency when they are perceived as either overly rigid or too flexible. Too rigid a set of rules and procedures may not only prevent the deferral to others who could otherwise offer a human touch, but also stifle critical thinking. Conversely, an absence of rules may leave individuals vulnerable to perceived injustices, such as biased decisions, with no recourse to means by which to address their concerns. The family's attempt to adjust organisational arrangements around performance might have contributed to the fact that participants experienced both ends of the spectrum. For while the CEO worries that performance reviews are "nonspecific", he is also reluctant to "overbake" them by imposing too many rules and procedures (see subsection 5.2.3). When such arrangements are taken to the extreme where performance is concerned – being either too rigid or too flexible – they appear to result in disabled moral agency as individuals find themselves unable to defer to the firm or to the family to address their concerns.

6.2. Voicing

The second sub-theme pertaining to moral agency is that of voicing. Voicing, in contradistinction to deferring, emerged as a more active expression of moral agency as individuals sought to address their moral concerns by verbalising them to others. This expression of moral agency emerged as participants – both spontaneously and systematically – drew on shared perceptions to initiate and sustain discussions about

morally-charged issues. Yet, on occasion, individuals were unable to voice their concerns due to fears of triggering potentially contentious reactions from certain groups with whose opinions they disagreed.

6.2.1. Finding the words

Participants often drew on TechCorp's codified values as a means to spontaneously voice what they deemed were morally contentious issues. Depending on the issue, participants voiced their concerns directly to the CEO. For example, on the grounds of TechCorp's "Fairness" value, one participant told the CEO she felt "really uncomfortable" about excluding customers from Iran in the wake of recently imposed US sanctions:

We were just having to get rid of customers who were from countries like Iran-- that were on that proscribed list from the US. So I raised it directly with Oliver, and I said, "Look, this makes me feel really uncomfortable. I don't think it agrees with our 'Fairness' for all value." And I was really impressed with Oliver's response to that... unfortunately, because of the legislation, we had a legal obligation to comply... So I felt really proud to belong to a company where the board thinks about things like that... I felt that Oliver really appreciated the question that I raised and he appreciated me for raising it, and was really respectful of me and of the issue. – Dorothy Bailey, Senior Developer (Interview)

TechCorp's Fairness value emerges as normative feature of the organisation that facilitates communication between Dorothy and the upper echelons of the firm. By claiming that TechCorp's actions violate the value, she was able to convey her moral concern about customer exclusion to the CEO. In turn, the "response" she received seemed to simultaneously validate Dorothy's *actions* and legitimate a particular mode of *being* in which moral concerns are voiced, since the CEO "appreciated" not only the "question" but also "appreciated me for raising it". Dorothy's contentment with the CEO's and board's reaction trumped the fact that, "because of a legal obligation", her moral concerns would ultimately be left unaddressed. The mere voicing seemed enough to appease her concerns, even if "the legislation" may have been offered as convenient excuse for the family's inaction.

Voicing of moral concerns also occurred in a more systematic fashion as teams engaged in 'retrospective meetings' (see subsection 5.3.2). These meetings commonly

entailed certain team dynamics that facilitated collective reflection and verbalisation of concerns. For instance, one participant describes a team exercise in which members adopted different “hats” to express themselves, which enabled her to “communicate” that she “felt very small” in the team:

So once we finish a big project, we do a retrospective... [we used] these hats, and each hat had a different thing. So one hat would be ‘emotional’, the other hat would be ‘the facts’, another hat would be ‘devil's advocate’... So the whole idea behind this is to switch up how you think about things and change the perspective. So you can play the devil's advocate, but then you can also pick up the hat that focuses on emotions and think about, “How did the project actually make me feel? Were there times that it did make me feel good and why?”... Like I shared that sometimes in meetings I felt very small. I felt like I wasn't very important... and I would communicate that. – Mia Owen, Customer Analyst (Interview)

The hats engendered a collection of shared reference-points that afforded participants a social licence to address issues from a particular perspective. Thus the “emotional” hat permitted Mia to voice her concerns about feeling unimportant in the team. That she picked this hat, over, say, that of “the facts”, pre-signals to others the “perspective” about to be employed, potentially helping them to see things from her angle. These “hats” act as complementary norms within the broader context of a retrospective meeting that render the voicing of moral concerns socially acceptable at a specified moment in time. Yet that Mia potentially waited for this particular retrospective meeting to articulate her concerns implies that her voice might have remained silent had this particular reflective space not been available.

While some participants drew on symbolic hats, others invoked TechCorp’s codified values, to frame morally-charged conversations. Unlike hats, which emerged primarily at the team-level, TechCorp’s values served as organisation-wide reference-points that individuals often employed to put forward their concerns. For instance, one participant explained how the TechCorp value “Money is Not Everything” was used to gauge morally contentious decisions because “we all know it's important”:

So ‘Money is Not Everything’ is another good example, if we were to do something that-- again, we could say, “we could change this signup flyer and users would get all

this extra stuff but the community would make a massive loss, but we'll be looking really good for this year and we'll meet our targets." I would never do anything like that. See, I think it puts a different lens on the conversation. And it's one that we all understand and it's one that we all respect and have to have... We all respect that lens. We all respect that value, so-- and we all know it's important to the company. – Nora Dalton, Manager (Interview)

TechCorp's value Money is Not Everything is itself a perspective or "lens" with which to address ethically charged issues. It enabled Nora to bring into focus and voice her concerns around the moral tension between serving "the community" and meeting "our targets". Once invoked, this "lens" framed social interactions or a "conversation" in which TechCorp's values become the guiding decision-making imperative; so much so, that violating them becomes almost heretical, for Nora was quick to clarify that she "would never do anything like that". Yet this common set of values is predicated on the assumption that individuals share the same "understanding" of, and "respect" for, the value – and that they would all act in line with what is "important to the company". As we shall see in chapter 7, this is not always the case.

At the team-level, participants often resorted to 'working agreements', as proxies for TechCorp's values, to frame conversations within which moral concerns are voiced (see subsection 5.2.1). As one participant put it, working agreements made it "easier" to initiate a "conversation" with an individual about their behaviour:

Working agreements... [are] a way of framing the conversation that makes it easier just to start talking about it. "Hey, do you remember that we both signed up to this 'naming the elephants in the room' thing, but I get the feeling at the last two executive team meetings there was something on your mind that you weren't getting to. What do you think?" Right? It's just a much easier way of having a conversation rather than, "Hey, I reckon you're holding back on something." Right? It's not even about them. To an extent, it externalises it and normalises it. – Harry Ingold, Executive (Interview)

Harry believed his moral agency to voice his concerns about a colleague's behaviour was facilitated by drawing on working agreements *qua* features of the organisation's cultural system. These cultural features apparently serve as conversational mediators that lubricate otherwise potentially contentious social interactions about morally issues, such as failure to

meet behavioural expectations (e.g., not speaking openly). They do so by de-personalising the transgressor, for it is not “not about them”, but about a higher cultural ideal as collectively understood – or at least subscribed to – in the form of working agreements. Additionally, these cultural elements render the voicing of concerns socially acceptable or “normal”, given the assumption that everyone has agreed or “signed up” to such behavioural expectations.

In brief, participants’ moral agency to voice their concerns seemed facilitated by certain factors, such as working agreements, firm values, and retrospective meetings, that permeated their work context. These factors can be traced back to the family’s interventions in the firm. For instance, participants invoked TechCorp’s values and working agreements *qua* normative features stemming from the family’s faith-based values by which to voice their moral concerns. More operationally, participants availed themselves of retrospective meetings *qua* organisational arrangement, which links back to the family’s endorsement of cycles of action and reflection, to express their feelings of discomfort in a team.

6.2.2. Censorship

Whereas some participants were able to voice their concerns, others appeared constrained when attempting to do so. Voicing as an agentic strategy was impeded as individuals’ voices were suppressed due to the prospect of igniting adverse social reaction from certain groups.

Participants commonly raised the fear of social reaction in the context of digital communications. One factor they considered before posting their thoughts on TechCorp’s instant messaging system, Slack, is how readers would respond; depending on their assessment, they refrained from interacting altogether. For example, one participant suggests that he felt pressured to “withdraw from your own thoughts” lest he “upset the mass” on Slack:

[W]e’re a little bit uptight and precious on a couple of things and I think that people take it just a little bit too far sometimes... I've kind of heard murmurs of that sometimes, like, "Oh sh*t. Don't put that on Slack. You're only going to upset the mass." And so you go, "Mm, okay." That's interesting that you're going to withdraw from your own thoughts and free speech because you don't want to upset people or you feel like people are going to be upset regardless around what you say. – Fred Hills, Agile Coach (Interview)

Individuals appeared to associate “the mass” with a set of behavioural expectations to which they felt pressured to conform. As was the case with Fred, engagement with these social expectations rendered individuals *qua* moral agents voiceless. The fear of social reaction compelled individuals to pre-emptively auto-regulate and self-censor by themselves giving up “free speech” and refraining from expressing their concerns. Yet, although the precise interpretation of what these social expectations might be is subjective, failure to abide by them appears to carry a more objective cost, for others also appreciate the gravity of its consequences. Thus Fred picked up other peoples’ “murmurs” that advised him not to “put that on Slack” because of potentially adverse reactions.

While some participants referred to a reified “mass” as engendering a set of social expectations by which they felt compelled to abide, others suggested that conformity pressure stemmed from particular sub-groups within TechCorp’s Slack population that more perniciously impressed their views upon others. One participant called these groups “bullies on Slack” that “censor other people” who hold “different opinions”:

I think it's censorship. I think that there's a certain group in this business who are bullies on Slack. And I don't think they would ever say that they were, but I think that the way that they try and censor other people from having different opinions to them is a form of bullying... [A person] is basically publicly shamed, right in front of the business, and then either leaves the channel or is made to-- or has this big apology and all that sort of stuff. And I'm like, “Come on! You can't censor everything.” – Mirta Flores, Sales Coordinator (Interview)

Social regulation among Slack interlocutors took on a coercive form by seemingly vocal “bullies” who publicly maligned those who failed to conform to their views. This public shaming resulted in a kind of social “censorship” that obstructed the exercise of the contrarian’s moral agency. For the contrarian is either forced to abandon that digital space, or, worse, subjected to further humiliation by issuing an “apology” for his or her heretical views. Others, like Mirta, appear powerless to respond to the bullies, contenting themselves with internal vituperation, as represented by such indignant responses as: “Come on!”. Thus social regulation, by which individuals are left to control one another, may obstruct individual moral agency when conformity pressure emanates from particularly aggressive social groups.

The reluctance of individuals to voice their thoughts in the face of the “mass” and “bullies” seemed grounded on a deeper behavioural ethos that favours agreement over dissent and conflict. As one participant put it, individuals refrain from disagreeing with others because “we’re all trying too hard to be nice”:

[W]e have this feeling that we don't want to hurt people's feelings, so we don't say things that might disagree with others, and therefore, we don't have courageous conversations that lead us to better outcomes. Because we're all trying too hard to be nice. And I think that happens a lot in TechCorp... We want a culture where people are valued and we're value-focused, but we need to have the confidence to have the courageous conversations. And we don't have that at the moment. – Myra Hicks, Business Analyst (Interview)

Conformity to a “culture” that calls upon individuals to be “nice” discourages “courageous conversations” and moral agency to “disagree with others”. The passive acquiescence to this behavioural norms emerges in stark contrast with those who employ more bellicose methods to advance their agenda, such as the “Slack bullies”. Thus, ironically, pressure to conform to such groups is compounded by the ideational imperative not to “hurt people’s feelings”, while those in the receiving end are left to suffer in silence. Potentially against the family’s wishes, being too “nice” or, perhaps more prosaically, politically correct, appears antithetical to a socio-cultural context that is “value-focussed”. For, if individuals are unable to exercise moral agency to voice their opinions based on TechCorp’s values, then these values are liable to be relegated to mere window-dressing.

Thus individual moral agency to voice one’s concerns appeared constrained by fears of igniting adverse social reactions from a reified ‘mass’ or from vociferous groups. This conformity pressure might be construed as a by-product of the family’s preference for social regulation, whereby individuals are charged to keep each other in check (see subsection 5.1.3). However, social regulation may have led to the preservation of a particular set of social expectations and behavioural norms that discouraged the voicing of contrary opinions.

6.3. Challenging

This third sub-theme germane to moral agency emerged as individuals sought to not merely share their moral concerns, but more actively challenge others based on them. Challenging

surfaced when individuals questioned decisions or behaviours they interpreted as violating shared values. Yet individuals also felt disabled when challenging powerful others.

6.3.1. Calling others out

Participants frequently indicated feeling comfortable in calling out other people if they deemed they were acting against TechCorp's values. They even seemed undaunted to challenge the CEO himself. For example, one participant recounts how "a junior" held the CEO to account "based on the values":

Anyone can raise a trump card as the values from the lowliest junior can tell Oliver what to do based on the values. And he's on record for saying that, "if you think I'm breaching the values, I will be held to account." And that's actually happened a few times... Oh, that was impressive leadership. Held accountable for his own goals by a junior. You know? – Michael Hughes, Team Lead (Interview)

TechCorp's values are depicted as the ultimate "trump card" freely accorded to all employees, "from the lowliest junior", who would like to exercise moral agency. In the same way that "anyone" can invoke the values, so it is that everybody is "accountable" to them. For Michael, the CEO legitimises this social regulation dynamic in a display of "impressive leadership" whereby he submits to others' regulation of his own decisions. Consequently, the CEO's leadership and TechCorp's values emerge as powerful influences over the context in which individuals operate. Yet, insofar as values are deployed as the universal yardstick against which to challenge others' behaviours, they risk being accorded the status of unassailable truth, which even their progenitor is unable to resist. If misused, they may become powerful instruments of social control to dogmatically "tell" others "what to do".

When invoking TechCorp's values, participants usually drew from the prescribed list of codified values (subsection 5.1.1) to nominate the ones they found most applicable to a particular situation. This served to delineate the moral issue at hand. For example, raising the "Speak Openly" value highlighted the question of being "frank", while the "Diversity" value to issues concerning "women in this meeting":

I think people will wave the-- they'll use flags from time to time. I often get like, "Speak openly!" You know the 'Speak Openly'—"I want to tell you something and I want you

to be very frank about that, so I'm going to wave the 'Speak Openly' flag". Other people might wave the 'Diversity' flag. If there are no women in this meeting, I'm going to wave the 'Diversity' flag... That kind of stuff. Each one of those forms a cornerstone for a decision or a point of contention. It's like, "Are you behaving in this meeting, or in this process, in a way that is aligned with our values?" – Mark Taylor, Lead Developer (Interview)

Individuals symbolically waved value “flags” to announce their concerns about predefined moral issues, which appeared readily intelligible to others. In this example, individuals appreciated the moral implications of not having enough women in the meeting as soon as the “diversity flag” was waved. These values-infused symbols mark a break in the regular flow of the “process” or “meeting”, for they represent a “point of contention” that motivates critical self-reflection. Once again, values served as facilitators of moral agency, by which individuals were enabled to pause and question themselves and others concerning their behaviour.

Participants suggested that the practice of invoking TechCorp’s values during decision-making is aided by the fact that they were to some extent *memorised*. This memorisation of values enabled individuals to (re)call them at opportune moments. For example, one participant related how knowing the values “by heart” allowed them to challenge a decision that benefited “the company” but not its “stakeholders”:

As opposed to other companies, we know by heart most of the values and we often refer to them during the conversation... if there's a decision being made that could be a great decision for the company, but it's not a great decision for stakeholders, we can always say, “We Thrive When Stakeholders Thrive”. So I've seen a few decisions that were challenged by this value. – Sam Campbell, Agile Coach (Interview)

The repetition of family-inspired TechCorp values indicates the degree to which they are embedded in organisational life. Indeed, the very possibility of exercising moral agency by resorting to the values seems contingent upon an individual’s absorption of them or at least their ability to readily “refer to them”. In addition, those individuals whose decisions or actions are “challenged” are only so, to the extent that they themselves have internalised the significance of such values, prompting them to agree or submit to a change of course. In

this case, interlocutors appeared to have ascribed enough importance to the “We Thrive When Stakeholders Thrive” value as to countenance a revision of their decision.

Yet not all participants referred to TechCorp’s codified values to challenge decisions; instead, they alluded to more implicit values prevailing in the firm. For instance, one participant described how a decision was challenged based on the realisation that “we’re not that kind of company”, but for which “there’s no value”:

So again, it [was] a marketing job... I think almost all of us said, "that feels wrong." The fact that you are trying to push your product as a way to almost like cheat your client for more money. That's not what we're about. I couldn't tell you what value that sits under. I think there's an underlying value of 'don't be a d*ck'. We're not that kind of company. But there's no value that says something like-- you know? – Luke Tiller, Engineer (Interview)

While not codified, implicit values remained causally efficacious, since they appeared to shape social interaction. Thus, although no mention was made of codified values, “almost all” individuals agreed that the marketing decision “feels wrong”. Luke offered a way to capture the essence of this “underlying” norm by subsuming it under the label of “don’t be a d*ck”. Thus participants were able to exercise moral agency by drawing on implicit values as a prevailing norm to challenge the “job”.

In sum, individuals appeared to exercise moral agency by challenging others’ behaviours and decisions. The practice of *challenging* alludes to the family’s attempt to render TechCorp’s values pervasive and relevant across the firm, as it encouraged employees to challenge and be challenged based on them (e.g., subsection 5.3.1). As an agentic strategy, challenging emerged as individuals drew on explicit and implicit values, as well as on the firm’s leadership, as facilitators of moral agency.

6.3.2. Avoiding confrontation

Despite TechCorp’s ‘Speak Openly’ value, participants at times appeared reluctant to challenge powerful others. This occurred even when the highest authority figure at TechCorp, the CEO, encouraged them to challenge each other. In the course of the fieldwork, I observed what seemed like a telling example of this authoritative constraint at

an executive meeting held in 27/03/2018. I also conducted interviews to complement data pertaining to this observation, which will be presented later.

In that executive meeting, an employee appeared intimidated to challenge an opinion held by a powerful executive. What follows is an excerpt of my observational fieldnotes:

Non-executive employees occasionally participated in executive meetings when invited. Today, Ryan White, a Data Analyst, sat among the CEO and TechCorp executives to contribute to the discussion. However, when at one point the CEO asked of his thoughts, Ryan merely replied that his opinion "is Tyson's opinion", an executive present in the meeting with whom he works. Surprised by the answer, the CEO insisted that the Data Analyst express his views. But Ryan retorted, "I need to understand it better", still refusing to speak. Other participants seemed to shift uncomfortably on their seats, unsure as to how to respond, while the CEO, after a moment's hesitation, moved the meeting onto the next agenda item.

Figure 6.1 Fieldnotes of an executive meeting held on 27/03/2018

The CEO spontaneously brought up the incident at an interview on 09/05/2018, when sharing his thoughts about individuals' freedom to speak openly:

There was a meeting where Ryan was there, and I wanted his opinion on something. He's like, "Whatever Tyson says." That was like, "Oh, no! This isn't good!"... When a person doesn't disagree with you verbally, that doesn't mean that they still don't disagree with you... Effectively, I think it's important for Ryan in that meeting to have been able to raise what he might have perceived to be an unpopular concern because it's not shared with someone who he views as powerful in determining the future experience that he has at TechCorp. – Oliver Clarke, CEO (Interview)

Ryan's agency to express a potentially "unpopular concern" appeared obstructed when he twice deflected the CEO's question and automatically defaulted to Tyson's position. As indicated by the CEO, the source of the constraint seemed to be Tyson himself, an authority figure present in the meeting and with whom Ryan closely associates in his everyday work life. Tyson's constraining influence seemed not lost on the CEO, whom he recognised as

“powerful in determining” Ryan’s “future experience” in the firm. Yet, despite the family’s encouragement for individuals to speak openly whenever they “disagree” with something (e.g., see subsection 5.3.3), countervailing influences seemed at play to restrain Ryan’s ability to challenge powerful others.

At an interview conducted with Ryan prior to the incident, he indicated that powerful figures enjoyed certain privileges in the firm. In particular, he claimed that “managers” have the “freedom to roam” from TechCorp’s “culture” and make morally questionable demands of their subordinates, such as longer working “hours”:

Ryan: I would say there is some deviation allowed with people who are really good at what they're doing. Especially in cultures like this, they have more freedom to roam... There are managers who demand things from their reports that would go beyond what is in people's contracts, for sure, and they also make that clear. More hours, more output, ultimately.

Researcher: And which value does that deviate from, you think?

Ryan: Not necessarily any of the values, but the whole culture, yes.

It is perhaps unsurprising that Ryan refrained from opposing figures such as Tyson, for they appeared too powerful to be subjected to social regulation. Instead, these powerful figures seemed to operate under their own set of rules, which they then imposed upon their subordinates. Thus certain managers are able to force their subordinates to work “beyond” their “contracts”. A tension between performance and family values is brought to the foreground, for it seems that it is the *well-performing* managers, being “really good at what they’re doing”, who can allegedly breach contractual conditions. Family values, if not legal obligations, are thus sacrificed in the name of better performance.

The reluctance to challenge became salient even when participants did not find themselves in the presence of powerful others. Participants suggested that authority figures constrained their decisions and actions from afar by virtue of the prestige they held at TechCorp. For instance, one participant reported that she refrained from writing an honest 360 “review” about someone with whom she believes is “difficult to work” but is “really regarded” in the firm:

So there's someone in the finance team who I was asked to do a review on who I sometimes find a bit difficult to work with... However, if I was to put that into a review, I'd just be really scared. I wouldn't want to say, "This person's really difficult to work with, and they take everything really personally," because they've been here a really long time, and they're really regarded by certain people. And so I wouldn't want to say it. I'm like, "Oh, I don't want to actually talk about this," even though I should. – Hellen Davis, Project Coach (Interview)

Although family members consider 360 Reviews as a key instrument to encourage open feedback about others' conduct (see subsection 5.2.3), individual moral agency to call out disagreeable behaviour appears constrained by the prospect of upsetting powerful others. Such constraining influence emanated from those entrenched in the firm (i.e., "been here a really long time") and who enjoyed the support of "certain people" whose opinions were viewed as important. A person's history and relationships in the firm can potentially leave another individual too "scared" to voice their concerns. Indeed, the risk of upsetting not only that single person "in the finance team" but disturbing the social network within which that person is embedded, may render the idea of writing a critical review even more daunting. Thus even though Helen believes she "should" express herself, she neutralises her moral agency by giving in to self-censorship.

To summarise, individuals seemed reluctant to express themselves when confronted with the prospect of rising against those able to shape their circumstances in the firm. Despite efforts of family members to encourage individuals to express themselves (see subsection 5.3.3), those placed in a disadvantaged position in relation to powerful others were unable to so. Powerful figures seemed to enact their own rules about who and what can be challenged. In such circumstances, factors that would otherwise enable moral agency, such as formal values, were either rendered neutral or arranged in such a way as to privilege the pursuit of better performance.

Chapter 7: Findings – The Google Memo Event: A Dynamic Interplay of Blurred Governance and Individual Moral Agency

This third and final findings chapter explores the effects of blurred governance upon individual moral agency in the context of a critical incident (Miles et al., 2014): the Google Memo event. Relative to governance, this chapter surveys how blurred governance relationships became manifest as family involvement took place at the governance, executive, and operational levels, to reinforce family values in the wake of the Google Memo event. Concerning moral agency, it investigates how individuals availed themselves of the deferring, voicing, and challenging strategies to address their moral concerns around the Google Memo event, feeling enabled and constrained as they did so. The significance of this chapter is that it points to how blurred governance relationships may manifest on account of a time-bound event to reinforce organisational structures that impinge upon individual moral agency.

The Google Memo event at TechCorp resulted from a major incident in the global tech industry, which sparked fierce debate around diversity, inclusion, and gender. Although the incident occurred shortly before I started fieldwork at TechCorp, its aftershocks remained palpable in the hearts and minds of research participants. The Google Memo event was selected for empirical analysis because it offers a rich combination of the key elements pertaining to the central research question: blurred governance relationships and individual moral agency.

Given that individual moral agency as a situated phenomenon is intelligible only when considered in context (see chapter 3), this chapter explores the different occasions in which moral agency was experienced as enabled and constrained. As the Google Memo event unfolded, three different occasions gave rise to a sense of enabled and constrained moral agency: *The Slack Discussion*; the *All-Staff Speech* delivered by the CEO; and the *CEO's Interviews* with employees. Each of these occasions informed the set of moral concerns individuals sought to address and thus provided the boundary conditions within which to analyse enablements and constraints to moral agency.

To illustrate, individuals' moral concerns in the Slack discussion revolved around being able to position themselves around a morally-charged debate. The extent to which Slack participants *intended* to position themselves in the debate *and* were more or less successful at it determined the degree to which their moral agency – as situated within this

particular setting – was deemed enabled or constrained. While I can only fallibly know participants' intentions and moral concerns, which are invariably subject to my own interpretation, it is precisely because their sayings and doings are analysed within such bounded contexts that I can infer at all whether or not they seemed successful in addressing their moral concerns.

This chapter begins by introducing the background of the Google Memo event to contextualise its significance for the tech industry in general and TechCorp in particular. The remaining sections of the chapter are presented chronologically as events at TechCorp unfolded in the wake of the Google Memo event. First, the Slack discussion is explored as one occasion in which individuals sought to exercise moral agency as they grappled with diversity and inclusion issues. Second, the family's response to the Slack discussion is investigated by considering their involvement at TechCorp's governance, executive, and operational levels. Third, participants' responses to the family's involvement, on occasion of the CEO's speech and interviews, are examined so as to gauge the extent to which their moral agency was enabled and constrained. Finally, concluding remarks are provided.

7.1. The Google memo event and the Slack discussion

On July 2017, now erstwhile Google software engineer, James Damore, posted an internal memo in Google that later became known in the tech industry as the Google Memo. In the memo, entitled "Google's Ideological Echo Chamber", the author argues that biological differences between men and women may in part account for why both sexes are not more equally represented in the tech industry and in leadership positions. Although allegedly never intended to go public, a version of the memo was leaked in 5 August 2017 and soon became viral as it was picked up by numerous online media outlets. The memo's publication sparked heated debates across social media and public outcry against its author, which eventually led to his dismissal from Google on 7 August 2017.

It is perhaps unsurprising that TechCorp found itself engulfed in the Google Memo controversy, given its longstanding involvement with diversity and inclusion issues. Not only was diversity and inclusion an explicit TechCorp value set down by the family, but also a topic with which employees frequently grappled. In what follows I explore how both the family and TechCorp employees responded to the Google Memo event, and investigate its implications for blurred governance and individual moral agency.

At TechCorp, a discussion about the Google Memo developed on the 'Diversity & Inclusion' channel on Slack. The discussion kicked off when one Slack participant posted a link to the Google Memo, which led others to offer their commentary. It quickly became lively as a growing number of Slack participants sought to position themselves by putting forward their thoughts. For six days, between 06/08/2017 to 11/08/2017, the channel was practically dominated by the Google Memo discussion. It reached a climax on the last day when the CEO decided to personally intervene and request that nobody post in the channel. The following excerpts of the Slack interchange reflect the final moments before the discussion ceased on 12:10 PM 11/08/2017 and were selected to illustrate the controversial nature of the debate:

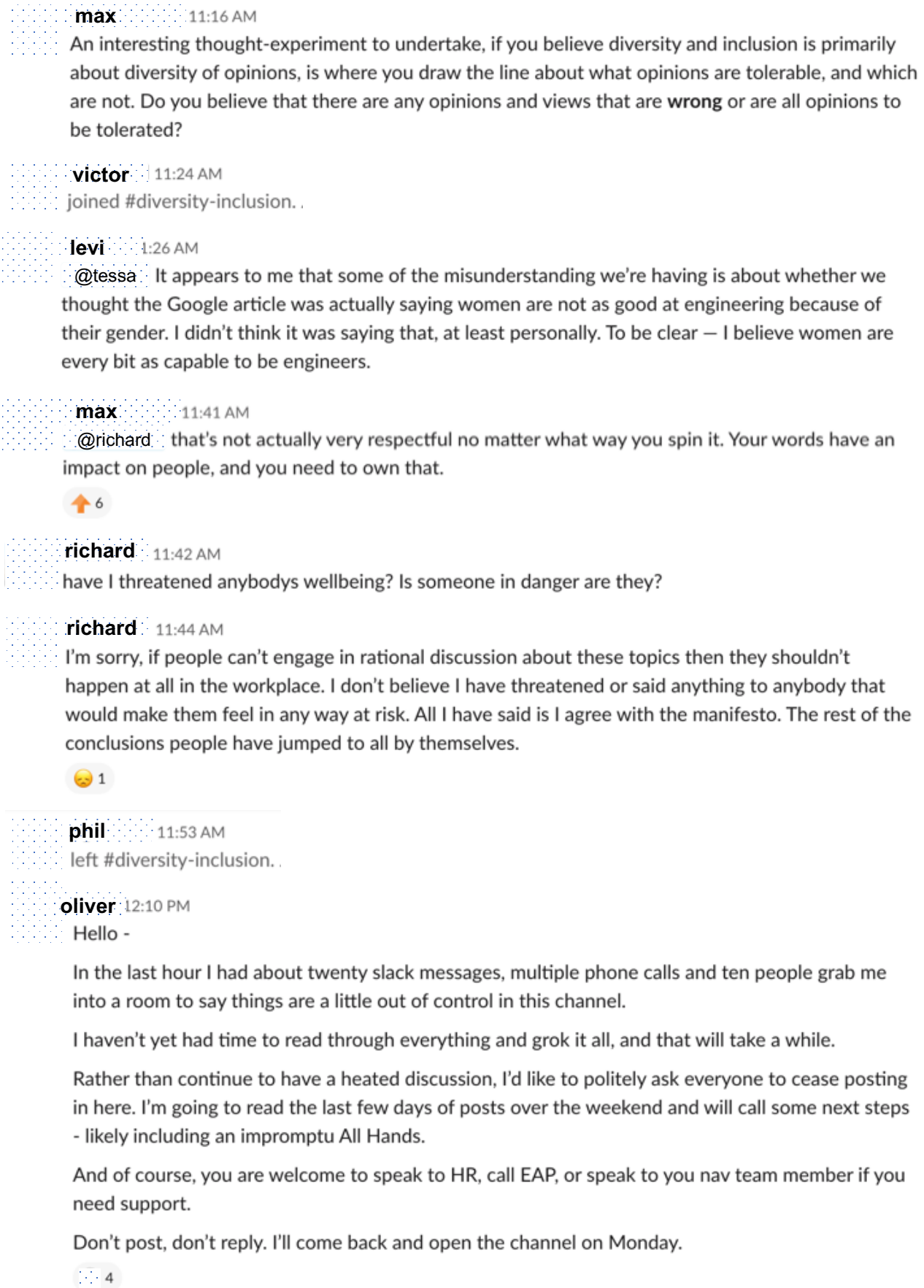


Figure 7.1 Excerpts from the debate in the Diversity & Inclusion Slack channel

Participants appeared to grapple with morally contentious issues as the Slack discussion unfolded around the Google Memo. In particular, two moral issues became salient as the conversation progressed. The first revolved around certain interpretations of the memo that attributed gender inequality in the tech industry to biological differences between men and women. An implication of this view was that gender imbalances are ‘natural’ and not due to social-cultural factors that might have traditionally disadvantaged women. The second moral issue was elaborately put by one Slack participant, Max, who questioned whether or not “all opinions” ought to be “tolerated” in a diversity and inclusion forum. To entertain the contention that some opinions might be inherently “wrong” calls into question the purpose of the forum itself, set up as a means to encourage “diversity of opinions”.

The setting provided in the Slack discussion seemed to inform how participants went about addressing these moral issues. Those who participated in the discussion presumably aimed to utilise this setting as a means to exercise their moral agency in order to make their voices heard. Yet while some Slack participants’ moral agency seemed enabled, that of others appeared constrained. For example, participants’ moral agency to voice their concerns was facilitated insofar as they were able to, at least temporarily, post their thoughts and opinions onto the Slack discussion. Levi, for example, shared his interpretation of the memo and articulated his position that women are “every bit as capable” as men. The fact that Levi was *at all* able to post his moral opinion indicates that his voicing endeavour was, to a certain extent, made possible. Accordingly, all those who presumably *intended* to voice their moral positions and *did so* in the Slack discussion saw, to greater or lesser degrees, their agency enabled. As the conversation progressed, other participants entered the forum by joining the Slack discussion, as was the case with Victor, potentially affording them the opportunity to also express their concerns. Over the Google Memo chat history a total of 15 participants joined the channel.

Slack participants’ attempts to make their voices heard quickly gave way to a more contentious expression of moral agency in terms of challenging each other’s opinions. Unlike voicing endeavours, which aimed at making known participants’ perspectives, confrontational expressions of moral agency emerged as a more active stance to oppose positions participants deemed unethical. For example, Max challenged Richard’s position by accusing him of disrespecting others with his opinions. For Max, Richard’s position imposes a responsibility upon him to take responsibility for others and thereby “own” any adverse consequences ensuing from them.

Yet as some participants exercised moral agency by voicing their thoughts and challenging differing positions, others' moral agency appeared increasingly constrained. The constraining of moral agency is indicated by the seemingly defensive stance taken by some participants as others challenged them. For example, faced with mounting social pressure against his position, Richard sarcastically asks whether people feel threatened and subsequently proposes shutting down the conversation as it "shouldn't happen" if his challengers are incapable of a "rational discussion". Although Richard's efforts to voice his own opinion and challenge that of others at first seemed enabled, the fact that he moves to exit the discussion implies that he no longer sees his agency facilitated within the context of the Slack discussion. By withdrawing himself from the Slack discussion he essentially cedes to social pressure to remain silent, thereby rendering his moral agency to articulate himself in this particular setting constrained.

Indeed, in reflecting upon the Google Memo debate *post hoc*, Slack participants indicated that some interlocutors seemed to retreat when challenged by others. For example, one participant considered how interlocutors who felt "attacked" would cease "voicing their opinion" and eventually retreat into "a bubble":

I think what had happened on the Slack channel was a good example of someone voicing their opinion and then being attacked. And because of that, they probably won't do it again... if they do feel attacked, they'll end up just I guess taking themselves away and then living in a bit of a bubble. – Mia Owen, Customer Analyst (Interview)

The notion that those who had previously voiced their opinion "won't do it again" indicates that such interlocutors no longer considered the Slack discussion a tenable forum within which to express themselves. As Mia suggests, frustrated interlocutors were gradually rendered mute and isolated. Thus while some Slack participants seemed able to carry on with their agentic expressions by voicing their thoughts and challenging adversarial opinions, others appeared increasingly constrained in sustaining those interactions which had previously enabled them to articulate themselves.

According to the chat history, a total of 20 Slack participants left the channel as the Google Memo discussion unravelled. While some left the channel without stating their reasons, such as Phil, other participants posted, *inter alia*, the following as they departed: "whatever this channel is, it is NOT a safe space" and "I don't feel safe either". These

participants appeared to exit the channel because they potentially felt unsafe to carry on as active or passive interlocutors of a morally charged discussion. Yet choosing to *withdraw* from the channel indicates that they were unable or unwilling to express themselves around issues being discussed. Their moral agency *as situated within the Slack discussion* seemed disabled, for their thoughts on diversity and inclusion were rendered henceforth silent. Similar to Richard, the source of constraint seemed to derive from certain Slack participants who became increasingly vociferous in their own positions.

Social pressure appeared as not the only source of agentic constraint in the Slack discussion. The CEO's intervention to temporarily suspend the diversity and inclusion channel indicates that agency was also constrained by powerful others. By instructing "everyone" to "cease posting" the CEO effectively closed the channel that individuals were using, albeit heatedly, to articulate themselves. The constraining effect of powerful others is suggested by the fact that the channel was not physically shut down, but effectively rendered as such through the CEO's intervention. Indeed, after the CEO's intimation no further posts were recorded in the channel until the following Monday, on 14/08/2017.

From a blurred governance perspective, the CEO's intervention in the Slack channel represented an empirical instance of the family's involvement at TechCorp's operational level. The CEO's involvement seemed not only motivated by the employees themselves, who had sent him, for instance, "twenty slack messages", but also from his prerogative to "call some next steps". His *personal* involvement with the issue is also highlighted by his commitment to read the posts "over the weekend" and convene an extraordinary all-staff meeting, after which he would "[re]open" the Slack channel.

After the CEO's shutdown of the Slack channel, the family's involvement in the incident gradually unfolded, seeing interventions at both the governance and executive levels. It is to this that the chapter now turns.

7.1.1. Family involvement at the governance and executive levels

Multiple instances of family involvement at TechCorp's governance and executive levels occurred over the weekend that followed the CEO's shutdown of the Slack channel. At the *governance* level, family members convened in what seemed like an informal, family/board gathering. As one board member states, it was "not a formal board", but rather a "sort of the board coming together" to deliberate upon the Google Memo event. Her description of the nature of the gathering serves to highlight its blurred features:

So we had to have this very complex conversation around how it was really unacceptable to sort of empathise with a memo like this and we cannot introduce the concept of aptitude into these conversations because it's extremely-- it's a dangerous, dangerous area to go... this is not something we can talk about. And then we had to have another conversation around how if somebody is trying to express what they think about something and ask questions, you also need to have an open mind to that and realise that not everybody is where you are. So if somebody says, "I don't understand why we are having a program specifically for women. Can someone explain that to me?" There shouldn't be a witch hunt out for that person. So there was long board conversation about how we would sort of address this... So that was not a formal board-- there were no formal board decisions being made there but it was sort of the board coming together and going, "All right, how are we going to handle this", informally. And then sort of-- and then acting it out, rolling it out accordingly and then getting the executive team involved and everything else. – Clara Clarke, board member (Interview)

That this gathering was not a mere family reunion is indicated by the implications arising from the “long” and “complex” conversations held by its participants. Two such “board conversation[s]” are discernible from Clara’s account. The first revolved around “the concept of aptitude” between men and women in the tech industry. The second centred on how to deal with people’s “questions” about initiatives geared “specifically for women”.

In the first conversation, family members seemed to (re)define the normative parameters within which diversity and inclusion discussions ought to be tolerated at TechCorp. For instance, the statement that it is “really unacceptable” to “empathise” with the Google Memo forecloses any debate around arguably ‘reasonable’ parts of its contents. In viewing the Google Memo *per se* as ‘wrong’, family members automatically positioned themselves *against* certain interpretations held by employees that some arguments in the memo might be acceptable. What family members seemed chiefly concerned about is allowing for debates on possible biological differences among genders, which Clara describes as “dangerous” and “not something we can talk about”. In *excluding* these positions, family members established a kind of ‘acceptable’ diversity combined with a limit, arguably, on freedom of expression.

Yet as part of the second conversation, family members appeared open to the prospect of entertaining questions about diversity and inclusion *practices*. For example, Clara stated that there ought not be a “witch hunt” against those asking about programmes “for women”. This openness seems to hinge on the assumption that “not everybody is where you are” in the diversity and inclusion movement, implying that family members hold the belief – perhaps rather patronisingly or naïvely – that some people are more enlightened than others as to the ‘truth’ of their position. Thus, although the family imposed limits on certain conversations about diversity, such as the “concept of aptitude”, they appeared willing to tolerate questions about *how* TechCorp goes about championing diversity.

The inherent tension between these two conversations foregrounds an important moral issue with which the family was dealing. On the one hand, family members appeared to invite free speech by allowing individuals to ask questions about diversity and inclusion practices at TechCorp. On the other, they expressed their reluctance to tolerate opinions that challenge pre-established conceptions about the nature and origin of diversity in the first place.

These “conversations” held by family members about the Google Memo seemed not without effect. For their final position on the topic led to a subsequent influence at the firm’s *executive level*. Indeed, it seems that the executive team (less the CEO), was called upon only *after* family members had decided “how are we going to handle this”. As Clara avers, the executive team was involved at the moment of “rolling it out” across the firm. Thus it seems that the executives were enrolled principally as an instrument to enact a pre-packaged decision, which suggests a significant level of influence exerted by family members upon the executive team.

Despite mainly reacting to the family’s position on diversity and inclusion, executives did seem to assist in shaping how the decision would be communicated to the rest of the firm. The CEO, for instance, claimed he consulted “lots of the executives” as he searched for a way to “articulate” a response to the Google Memo incident:

I would say that I spent the weekend as this-- so not with the hat of CEO, but with the hat of values leader, not that I would have ever defined it that way back then-- trying to figure out what our position was and then how to articulate it... I spent a lot of time talking to different-- spoke to a couple people on different sides of the argument as well lots of the executives and then also just crafted what I felt was the correct position. – Oliver Clarke, CEO (Interview)

The CEO's interaction with executives indicated that the family's involvement at the executive level was not unidirectional, flowing exclusively from family members to the executive. Rather, a mutual relationship unfolded as the CEO took on executives' opinions to "craft" his position.

Such blurring of governance relationships is also implied in the CEO's depiction of his own role as he interacted with executives and others in the wake of the Google Memo incident. In describing himself as acting "not with the hat of CEO" but as "values leader", he suggests that he saw himself playing a broader role than mere chief executive. As "values leader" – a term which he defines in hindsight for he would not have "defined it that way back then" – he engaged with those who participated in the Google Memo "argument" to apparently attain their input on the incident (see subsection 7.1.1). Thus in this expanded role, the CEO seemed to gravitate across the governance, executive, and operational levels as he grappled with a position. Ultimately, however, the CEO seems to have wielded his uncontested authority across all levels to impose that which he deemed as "the correct position".

A further blurring of governance relationships took place as the CEO alluded to his status as Co-Founder when conveying his final position on the Google Memo event to the rest of the firm. He seemed to do so by bringing "Clara along" to the all-staff meeting where he addressed TechCorp employees, so that they would "understand where the message was coming from":

And then on the Monday, we ran the all-staff, brought Clara along... I specifically asked Clara because I felt that it would help people to understand where the message was coming from. – Oliver Clarke, CEO (Interview)

Oliver seems to instrumentally use Clara's gender and leadership position to add force to his speech, for she is not only a woman, but also TechCorp's Co-Founder and board member. Oliver apparently views Clara as a source of legitimacy to his "message"; her presence would allow others to understand where it was "coming from" insofar as Clara's stance on diversity and inclusion was already well known through the firm (e.g., see subsection 5.1.4). Further, in asking Clara to be with him, Oliver appears to position *himself*, not as CEO, but as a co-founding progenitor of a family firm inspired by common sets of values.

Upon delivering his message to employees, Oliver next delves deeper into TechCorp's operational level as he continues to respond to the Google Memo incident. The chapter considers this next.

7.2. Family involvement at the operational level

Beyond the CEO's intervention in the Google Memo Slack discussion, the family's involvement at TechCorp's *operational* level occurred on two other occasions. As indicated earlier, one pertained to the speech the CEO delivered at an all-staff meeting. The other to a series of interviews he personally conducted with those affected by the Google Memo incident. At each of these occasions, moments of enabling and constraining of moral agency became discernible, as employees responded to the CEO's interventions.

7.2.1. All-staff speech

On 14/08/2017, before re-opening the diversity and inclusion Slack channel, the CEO convened an all-staff meeting to address the Google Memo incident. In it, he delivered a speech in an attempt to clarify TechCorp's position on the diversity and inclusion issues. Given that most all-staff meetings are recorded for the benefit of remote workers, I managed to obtain a copy of the video recording of the speech. Excerpts of the video's transcription are reproduced below:

Making or entertaining an argument that women may be less good at or less suitable for a profession, opens a door, creates a space for prejudice and preconception. And there is to be no space for prejudice at TechCorp. There is no space for prejudice at TechCorp. So, speaking as the CEO, on behalf of the founders, directors, executives, really this entire company: Here at TechCorp we believe that people of all races, religions, sexes, orientations, backgrounds can do any job at TechCorp and can do it well...

[I]t's really critical that we put forward how important this is and that you take this not just part of some TechCorp value, but as a fundamental tenet, a fundamental truth, a universal truth. That under no circumstances should there be space to debate this at TechCorp. That is not a conversation I wish to ever see...

When we set out the Diversity & Inclusion value, there was an implicit decision made at TechCorp, which is a moral and value based-one, that we would put time, energy, and effort to correct imbalances... It is a moral decision, made to have this value and to take and to emphasise this set of priorities...

I think that it is also important to recognize that it is pretty much part of the DNA of this company at this point. And it is intrinsically part of the founding team's beliefs and I think the beliefs of many people here at TechCorp... Also if you want to work here, I think you really need to buy into the choices that were made that led to these values, the decisions that we made, and I think that you have to get behind them.

Figure 7.2 Excerpts from the CEO's speech on the Google Memo incident

At the outset, Oliver assumes a persona of absolute moral authority *vis-à-vis* the recipients of his message. He appears to do so by making it clear that he is speaking not only as CEO, but “on behalf of the founders, directors, executives, really this entire company”. He thus blurs his own governance roles to add force to his position, which he articulates as standing against those arguments that lend themselves to the view that women are “less suitable for

a profession". Included in his position towards women are individuals "of all races, religions, sexes, orientations, backgrounds". His position seems to leave no room for dissent, as contrary views are dismissed as "prejudice and preconception". Inter- and intra-personal orientations towards diversity and inclusion are targeted as Oliver forbids the "making", as well as the "entertaining", of views contrary to those he expounds from his position of embodied authority.

To emphasise the significance of his message Oliver seems to go beyond his authority role(s) at TechCorp to assume one akin to a harbinger of moral truth. For he claims that the position he expounds on diversity and inclusion represents not merely "some TechCorp value" but "a universal truth". This alludes to the family's religious values by which truth is viewed as objective and unassailable. From this perspective, Oliver states that "under no circumstances" should this "tenet" be debated at TechCorp. By proscribing any "conversation" that undermines the position he expounds, the CEO imposes limits to 'free' speech relative to diversity and inclusion issues.

In establishing the uncontested nature of this "fundamental truth", Oliver reiterates the firm's socially activist role to "correct imbalances" associated with diversity and inclusion. He qualifies this activism as reflecting a "moral" and "values-based" decision, towards the fulfilment of which TechCorp will dedicate "time, energy, and effort". In essence, the CEO articulates to TechCorp employees that organisational resources will be geared towards delivering on the diversity and inclusion cause. This implies that employees will invariably have to live by this "set of priorities" if they want to work there. As a result, not only does the CEO impress upon employees normative parameters that contain their opinions and conversations about diversity and inclusion, but also a prefixed set of goals towards which they themselves will be called upon to contribute.

Oliver makes it clear such decisions and priorities associated with diversity and inclusion originate in the "founding team's beliefs", in another potential allusion to their religious values. Yet he suggests that these beliefs have also permeated the rest of the firm for they now form "part of the DNA of this company" and the "beliefs of many people here". Indeed, so ingrained seem those values that the CEO admonishes employees to "buy into" and "get behind" them. Perhaps ominously, Oliver conditions employment at TechCorp upon the extent to which values are upheld. With this intervention in the firm's operations, the CEO thus reiterates the fundamental role of family values at TechCorp and that its employees ought to actively abide by them.

The following section explores employees' reactions to Oliver's speech and investigates how this might have shaped their moral agency.

7.2.2. Employees' reactions to the CEO's speech

Employees evinced a variety of responses to the CEO's speech. Empirically, I ascertained participants' responses in the months following the speech. Notwithstanding this time lapse, their reactions indicated how they experienced a sense of enablement or constraint in terms of catering to their concerns. For example, one participant indicated that the CEO's speech on diversity and inclusion represented what "we stand for":

[T]he company stands in its power and says, "Okay. This is the line," and, yeah, I saw an example of that last year, for instance, in a conversation about diversity. So there are some points in time that you say you have to draw the line. You say, "Okay, this is not acceptable. This is acceptable."... It's a boundary. It's not because we can say anything that we should say anything... we stand for equality. We recognise as a company, as a culture, that there is a lot of inequality in the world, that we are not in a point in time that we can just rest, and relax, and say, "Oh, let the markets sort out by themselves." We have to do something. And that something sometimes means having those uncomfortable conversations and saying things like, "You can't say this kind of stuff here." – Sam Campbell, Agile Coach (Interview)

Sam appears to defer to TechCorp the prerogative of addressing his moral concerns about "inequality in the world". He agrees with the firm's position that "we have to do something" to address this issue, rather than leaving it to the "markets". As a result, he is in favour, in an apparent allusion to the CEO's speech, of having "uncomfortable conversations" about what is "acceptable" versus what is "not acceptable", for not all that "can" be said around diversity and inclusion "should" be said. For Sam it is necessary for TechCorp to "draw the line" if "we" are to uphold the cause of "equality". In depicting the CEO's attitude towards diversity and inclusion in a positive light, and in agreeing with the position represented by the firm, Sam appears to see his own moral concerns about inequality somewhat addressed.

Others also seemed to correlate the firm's or the CEO's position with their own moral views. Another participant, for instance, claims that Oliver's speech is "empowering for the generation we're in":

[E]ven when Oliver comes out and says things like, "There's not one single job in this company that a woman cannot do." That's pretty empowering for the generation we're in now. And there's no job that-- anyone can do any job. It's not based on your ethnicity, whether you're a man, female, ill-defined, it doesn't matter. So that lies on this psychological safety and that it's an inclusive company, not exclusive. – Oscar Cook, Senior Manager (Interview)

Oscar's choice of the word "generation" implies that he considers Oliver's approach to diversity and inclusion not only representative of his own views but, dramatically, aligned with the needs of the current day and age. He approves the CEO's idea that "anyone can do any job", regardless of background or gender, and considers this to be a hallmark of his own sense of "psychological safety" in the firm. In describing feeling thus in an "inclusive" environment Oscar appears satisfied that his moral concerns around diversity and inclusion are appropriately represented, and thus seems to defer to the CEO the prerogative of addressing them.

However, other participants seemed taken aback by the CEO's speech on the Google Memo. They indicated that his speech only served to further constrain them in terms of freely positioning themselves around the moral issues raised in the Slack discussion. For example, in reacting to the CEO's warning about the need to adhere to values as a condition of employment, one participant shares his fear about getting "fired":

So I signed out of the diversity and inclusion chat because I'm afraid that the wrong opinion will get me fired. So while I love TechCorp, I don't talk about the racial inclusion because I'm afraid if I say, "Hey, men and women may differ biologically." I'll lose my job. – Jack Edwards, Business Analyst (Interview)

Jack seemed to refrain from uttering his opinion on possible biological differences between men and women in the "diversity and inclusion chat". Taking the Slack discussion as the context within which moral agency is being considered, Jack was thus constrained to freely articulate his position. For although his opinions might differ from those enunciated by the CEO, he is "afraid" to utter them in the Slack channel, lest he lose his job. Indeed, so pernicious seems his sense of disablement that he classifies his own opinion, perhaps sarcastically, as "wrong". The fact that he ultimately "signed out" of the Slack channel

indicates that he dismisses it as an enabling medium through which to articulate his views. Hence his moral agency, as situated within the setting of the Slack discussion, was disabled by those he considers powerful enough to render him unemployed.

In sum, employees' reactions to the CEO's speech *qua* empirical instance of family involvement at TechCorp's operational level seemed to lead to a sense of enabled and constrained moral agency. Moral agency appeared enabled as participants deferred to TechCorp and its CEO the prerogative of addressing their concerns. Conversely, it seemed disabled in the context of the Slack discussion as participants reportedly withdrew from articulating their own thoughts on account of feeling constrained by powerful others.

This chapter now turns to another occasion of family involvement at TechCorp's operational level, namely, the CEO's interviews with employees affected by the Google Memo event.

7.3. The CEO's interviews

The CEO's interviews with employees represented another instance of family involvement in the firm's operations. In the aftermath of the Google Memo event, during July and August 2017, the CEO conducted a total of 24 interviews with "anyone interested in discussing diversity, inclusion and discourse at TechCorp", according to a 18/12/2017 "Diversity Interviews Report" he shared with employees. In this report, in which he presents his anonymised interview findings, he explained that the majority of interviews occurred "shortly after a series of fairly heated discussions on the Diversity & Inclusion channel, and references are made to those discussions and the 'Google Memo'". The CEO reflected upon the role he played in speaking to employees during an interview on 04/04/2018, almost four months after he had issued the report:

And then following the all-staff, I then conducted 24 meetings... So that was sort of, again, going back to this moral leadership role. I had to rely on people feeling that they could come and talk to me, that I would not be judgmental... I specifically sought out people who felt that the diversity and inclusion channel was not a safe space, that they felt that they couldn't share their opinions. – Oliver Clarke, CEO (Interview)

Oliver's account implies that he saw himself as potentially moving beyond a typical CEO role to assume a "moral leadership role". This latter role was contingent on employees

feeling comfortable to “come and talk” to the CEO and trusting that he would “not be judgmental”. Oliver thus seemed to negotiate between multiple roles as he navigated different levels of the firm to address issues he viewed as requiring his intervention, such as the impact of the Google Memo on employees. In this “moral” role, then, Oliver appeared to see himself coming to the aid of those who had been unable to “share their opinions” because they had not felt “safe”. It is with this definition of “leadership” in mind, then, that Oliver appeared moved to address potential causes of constrained moral agency among employees in relation to the Google Memo event.

The ensuing “Diversity Interviews Report” documented the CEO’s transcriptions of his interviewees’ remarks on the Google Memo event, and on diversity and inclusion more broadly. The report begins with an “Introduction and Methodology”, whereby the CEO explains that interview quotes “are as close to verbatim as I could record them [and] edited primarily for anonymity.” In this section he also adds, *inter alia*, the disclaimer that “quotes are slightly out of context from the general conversation and tone of voice” and “The aim here isn’t ‘answers’, it is insight.” With these points in mind, I cover two main sections of the report that deal more directly with individuals’ personal experiences surrounding the Google Memo event:

1. Thoughts about Diversity and Discourse at TechCorp

2. What should we do?

Figure 7.3 Sections from the CEO’s report on the Google Memo incident, from the document ‘Diversity Interviews Report’

These two sections present interviewees’ general comments on diversity and inclusion, and potential courses of action to address perceived shortcomings, respectively.

Empirically, an analysis of the “Diversity Interviews Report” allowed me to investigate how individuals exercised moral agency in the context of a particular instance of the CEO’s intervention at TechCorp’s operational level, namely, the interviews he conducted with employees. Each of the three sections of the report informs an empirical understanding of situated moral agency.

7.3.1. Thoughts about Diversity and Discourse at TechCorp

The first section of the “Diversity Interviews Report” reflects interviewees’ views on diversity and inclusion practices at TechCorp. Given that this chapter is focused on the Google Memo event, I opted to dwell on quotes that directly spoke to this incident. A sample of quotes, selected purposefully to illustrate contrasting views on the event, is presented below. It is worth reiterating that these quotes were already de-identified in the CEO’s report.

“It’s unbelievably disappointing. It’s the same crap that I dealt with at the start of my career. The channel is a little fraught. A bit difficult to listen to people’s opinions about things that affect me directly, when they don’t affect *them* directly. People come and in are like ‘I just want to have a rational discussion about this’, and I think ‘fuck you, I don’t. It’s impossible for me to distance myself from the reality of my life as a woman in tech.’”

“People with a more middle of the road view, don’t have their view represented because they don’t want to get sucked into it, and be vilified for those opinions.”

“I don’t leave because it says that I left. And then that has connotations. So sometimes I just mute it.”

Figure 7.4 Excerpts about diversity and discourse, from the document ‘Diversity Interviews Report’

These disparate views reflect the range of responses obtained by the CEO during his interviews. For instance, one female interviewee adopted a more passionate and personal stance by resorting to expletives when expressing her refusal to participate in a “rational discussion” about diversity and inclusion because opinions “affect me directly” (subsection 7.1.1). Another interviewee advocated for a more moderate or “middle of the road” view, but stated that such positions are crowded out by others as “those opinions” are “vilified”. Yet another indicated that he or she felt unable to “leave” the Slack channel because “that has connotations”, preferring instead to “mute” the conversation.

What these conflicting views on the same incident have in common is that they suggest how individual moral agency seemed enabled and disabled depending on the

context surrounding the Google Memo event. In the context of the *Slack discussion*, that is, as the Slack debate was unfolding, these interviewees all signalled that their efforts to articulate themselves, regardless of their position, were rendered frustrated. As such, the female interviewee refused to participate in a discussion that required her to “distance myself” from her experiences as a “woman in tech”. The other interviewee affirmed that his or her views were unable to be “represented” due to possible reprisals by others. Still another indicated being compelled to remain in the channel – albeit mutedly – lest their departure be misconstrued. Consequently, their agency as situated in the circumscribed setting of the Slack discussion appeared disabled for they were essentially rendered non-participants in the face of potential adverse social reactions from others.

However, these same interviewees did find space to exercise moral agency in a different context, namely, by participating in the *CEO’s interviews*. Whereas in the Slack discussion they felt silenced, they now appeared able to articulate themselves by voicing their concerns to the CEO. For example, the female interviewee shared with the CEO how the Google Memo incident reminded her of the “crap” she faced in her “career”. Similarly, another interviewee was able to share his fear of being “sucked into” a conversation that will ultimately render his or her views dismissed. Finally, the interviewee who muted but remained in the Slack channel now seemed able to verbalise the conflicting nature of his or her position during the interview with the CEO. While constrained *during* the Slack discussion, interviewees managed to voice their concerns when *situated* within a different context, provided by the CEO’s interviews.

During their interviews with the CEO some participants even found space to challenge diversity and inclusion practices at TechCorp. In so doing, they were able to change what they perceived were unfair employment practices. For example, one participant I interviewed recounted that she got the “pay that I wanted” after complaining to the CEO about “men getting paid more than me”:

[Oliver] asked people to step forward if they wanted to talk about it [Google Memo incident]. Of course, I said, "Yeah. I'll step forward." I think I was the only remote worker that did so. I explained about some issues that I had a couple years ago that a man who had not had any previous editorial experience had joined the company as a remote worker, the same sort of job that I was on, but he was working part-time, but he was getting paid more per hour than I was... And Oliver was just like, "Right. Well, you've been told lies here and there."... So based on that, I kicked off last year,

and eventually got the pay that I wanted... So, to me, it's really not about the money. It absolutely isn't about the money. It's the fact that men are getting paid more than me. And that just really didn't sit well. – Sally Alby, Curator (Interview)

The fact that Sally had to wait “a couple of years” to address a potential gender-based pay gap is suggestive of her vulnerability as a “remote worker”. Being remote implies that she may not have always enjoyed the opportunity to interact with those who might assist her in addressing her concerns. Thus it is not surprising that she would “step forward” to talk about diversity and inclusion issues when given a chance. When interviewing with Oliver, she seemed to have been able to challenge that which “didn’t sit well” with her concerning unfair pay practices, which eventually led to a resolution of the issue. Her moral agency, hitherto constrained in terms of challenging her gender pay-gap concerns, now seemed enabled in the context of her interview with the CEO.

It is worth noting that although gender issues are significant within the tech industry, this study does not purport to empirically investigate or theorise about them. This is despite instances in the empirical findings where a deeper look into the role of gender seemed particularly promising. Instead, in this thesis, I strove to remain steadfastly focussed on my research questions to explore issues of blurred governance and individual moral agency.

7.3.2. What should we do?

The second section of the “Diversity Interviews Report” further indicates that interviewees found space not only to voice their concerns to the CEO, but also challenge diversity and inclusion practices at TechCorp. One interviewee, for instance, proposed that “D&I people” should be especially designated to monitor the diversity and inclusion across the firm, treating it much like a health and safety concern. A second suggestion revolved around “training” programs that empower “men” to have sensitive “conversations”. Another one requested that “salary negotiations”, which are difficult “especially for women”, be made more transparent. Yet another one broadened the scope of diversity and inclusion to call for “managers” to better support “returning mothers”, in a bid to improve parental leave practices:

“... A bit like the OH&S designated people, we should have D&I [Diversity & Inclusion] people. “Your job is to keep an eye out for things. And for people to come and talk to.”

“Empowering men to be involved in the discussion, and calling subtle sexism out. Not necessarily public. But going up to the person. Training on how to have those conversations about those topics in a really delicate, fair and respectful way.”

“[M]y negative experience started when I returned to work. I think TechCorp can do better in supporting returning mothers through that phase and setting up managers to better understand and support returning mums.”

“Salary negotiations -- They are not easy anywhere. But there's lots of studies about how hard they are for anyone, but especially for women. I tried it here, and I'm not saying TechCorp did it badly, or well. But it made me feel vulnerable. In an environment where you have to lobby or advocate, and you're not clear on what your role is worth. It's difficult because you're advocating for YOUR value.”

Figure 7.5 Excerpts about what we should do, from the document ‘Diversity Interviews Report’

These interviewees seemed moved to deploy their moral agency to challenge what they perceived as deficient diversity and inclusion practices. They attempted to do so by proposing concrete courses of action to address their concerns around diversity and inclusion representation, training, parental leave, and salary transparency.

In sum, this section explored the family’s intervention at TechCorp’s operational level as empirically manifest in the CEO’s engagement with employees when interviewing them about diversity and inclusion in general, and the Google Memo event in particular. In assuming a “moral leadership role”, the CEO appeared to take it upon himself to interview employees who might be feeling reluctant to articulate themselves around diversity and inclusion issues. An analysis of the ensuing “Diversity Interviews Report” suggests that, while interviewees’ moral agency seemed disabled in the Slack discussion, it flourished in

the context of the interviews, when they were able to voice their concerns directly to the CEO. Indeed, the moral agency of some individuals seemed so enabled as to challenge diversity and inclusion practices.

Chapter 8: Discussion

Chapter 2 problematised the relationship between blurred governance relationships in family firms and individual moral agency. It argued that blurred governance – that is, the simultaneous involvement of the family in a firm's governance and management (Mustakallio et al., 2002) – is liable to affect organisational members' moral agency to address their moral concerns. Yet, not only do the ethical implications of blurred governance remain underexplored, but extant accounts of moral agency in the organisational research literature also warrant deeper sociological analysis (see chapter 2). The current chapter addresses these gaps by exploring the wider significance of this thesis' findings to the family business ethics literature and to critical realist organisational research.

This chapter is organised under two sections. The first section employs the Archerian critical realist framework introduced in chapter 3 to discuss how blurred governance relationships give rise to structural and cultural emergent properties that impinge upon individual moral agency *qua* agentic project. It proceeds by delineating three types of agentic projects based on an individual's level of critical engagement towards their circumstances and an agentic project's socio-cultural transformative potential. By identifying these agentic projects, this section builds upon and extends Wilcox's (2016) proposition of an agentic spectrum in the context of family firms. Given the prevalence of MacIntyrean and social cognitive accounts in organisational research (see chapter 2), the discussion also addresses how these different agentic projects link back to this prior literature. This section advances the family business ethics domain by applying a critical realist lens to flesh out an agentic spectrum within which the ethical implications of blurred governance can be investigated.

The second section builds upon the discussion in preceding section by postulating the generative mechanisms associated with blurred governance that enable and constrain individual moral agency in family firms. It examines the role of blurred governance in shaping the conditions under which individuals feel enabled and constrained as they deploy different agentic projects to address their moral concerns. Akin to the first section, the second section contributes towards critical realist organisational research by outlining the circumstances in which organisational members may experience a sense of enablement and constraint as they confront socio-cultural factors imposed upon them by blurred governance relationships. Ultimately, then, both sections in this chapter emphasise the value of an Archerian critical realist perspective (Archer, 2003, 2007a) in explicating ethical issues in family firms.

This chapter ends with a brief summary of key lines of argument of the discussion. The purpose is to synthesise the principal points of the argument as it responded to the research questions and to crystallise this thesis's main contributions to knowledge.

8.1. Toward a spectrum of moral agency under blurred governance relationships

This section expands upon the first research sub-question (*how do blurred governance relationships and individual moral agency manifest in a family firm?*) by discussing this thesis' empirical findings within the critical realist analytical framework proposed in chapter 3. That is, it will explore how family involvement in governance and management (chapter 5 and 7) generated structural and cultural emergent properties that shaped the socio-cultural context within which individuals operated. Concomitantly, it will investigate how the different strategies followed by organisational members to address their moral concerns – deferring, voicing, and challenging (see chapter 6) – connect to broader agentic projects that are subject to structural and cultural enablements and constraints (Archer, 1995, 2003). Thus this section paves the way for a subsequent discussion in this chapter's next section on *how* blurred governance enables and constrains individual moral agency in family firms.

The organisational research literature has explored individual moral agency from multiple psychological, philosophical, and sociological perspectives (see chapter 2). Since these disciplinary traditions offer distinct insights into the nature of the phenomenon, scholars have begun to draw parallels among them. Prominent among these is Wilcox, who proposes that researchers consider how a “spectrum of agentic possibilities” might manifest in organisational settings (2016, p. 270). Wilcox (2016) alludes to two interrelated dimensions of this agentic spectrum: 1) the extent to which individuals assume a critical stance towards their circumstances; and 2) the potential for reproduction or transformation of those circumstances. Whereas at one extreme individuals who assume an “unquestioning, taken-for-granted” stance towards their circumstances see only the “reproduction of internal structures”, those who adopt a more “critical, reflexive” orientation are amenable to bring about the transformation of these same conditions (Wilcox, 2016, p. 270).

This section applies, develops, and discusses the notion of an agentic spectrum in the context of family firms shaped by blurred governance relationships. Blurred governance relationships are held to underpin the emergence of structural and cultural properties throughout a family firm, which impinge upon social ‘projects’ that individuals pursue to

address their moral concerns (Archer, 2003, 2007; Porpora, 1989). Based on my research findings, this subsection discusses three types of agentic projects, which I have labelled *mediational*, *dialogical*, and *aspirational*, in relation to Wilcox's (2016) agentic spectrum for the exercise of moral agency. Given the interest of this thesis in studying how organisational members experience a sense of enablement and constraint as they seek to address their moral concerns, I plot these three types of projects against the first dimension of the agentic spectrum proposed by Wilcox (2016), that is, the level of critical engagement *vis-à-vis* one's socio-cultural environment; ranging from the relatively unquestioning through to the critical. I focus on Wilcox's (2016) first dimension because an individual's level of critical engagement, as opposed to the second dimension of socio-cultural reproduction/transformation, closely aligns with *how* individuals seek to address their moral concerns and *why* they feel enabled and constrained as they do so. Yet, given that socio-cultural reproduction or transformation is a consequence of individuals' critical engagement toward their circumstances (Archer, 1995), I also discuss the *potential* of such reproduction/transformation that each project type portends. This section's discussion is captured in Figure 8.1 below.

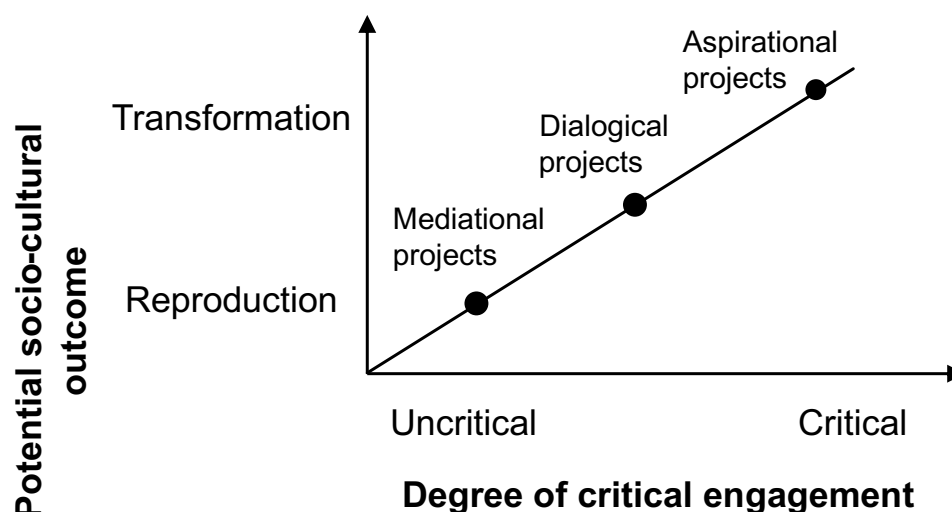


Figure 8.1 Agentic projects within a spectrum of moral agency

This section adds a critical realist dimension to Wilcox's (2016) analytical framework to categorise and examine different types of agentic projects that socially situated individuals may deploy to address their moral concerns in family firms. In doing so, it helps explicate how socio-cultural conditions generated by blurred governance lead to particular types of

agentic projects as organisational members assume varying levels of critical engagement towards the circumstances they confront. Further, by building upon Wilcox's (2016) proposed relationship between critical engagement and social outcomes, a critical realist perspective assists in explaining why some agentic projects are likely to result in transformation, while others in reproduction, of socio-cultural structures. It is worth noting that, although different agentic projects within the spectrum of moral agency may overlap in practice (e.g., aspirational projects may be informed by dialogical projects), they are presented here as analytically distinct to better understand their dominant attributes.

The following subsections discuss the different categories of agentic projects in the context of a spectrum of moral agency.

8.1.1. Mediational projects

Extant family business literature highlights how organisational members often become enamoured of family members and their respective firms (e.g., Cennamo et al., 2012; Marques, Presas, & Simon, 2014; Miller & Le Breton-Miller, 2005; Miller et al., 2009; Sirmon & Hitt, 2003; Uhlaner et al., 2004). Authors have described, for example, feelings of warmth and reciprocity among family firm employees, who see themselves as part of the 'extended family' (Marques et al., 2014; Spence, 2016; Uhlaner et al., 2004). Founders of family firms have attracted special scholarly attention for their ability to inspire awe and adoration in organisational members (e.g., Denison et al., 2004; Duh et al., 2010; Hall & Nordqvist, 2008; Kammerlander et al., 2015; Schein, 1983; Schein & Schein, 2016; Sharma, 2004). My study extends this literature by exploring the effects of founders, family members, and family firms on individuals' sense of moral agency.

As presented in my findings chapters, blurred governance relationships through family involvement at the governance, executive, and operational levels exposed organisational members to family values, which were intertwined with the values of the firm itself. Additionally, family involvement influenced organisational members' social interactions, by virtue of having, for example, relatively easy access to the founder (e.g., see section 6.3). In a critical realist reading, this blurring of governance shaped the prevailing socio-cultural context by generating structural and cultural emergent properties that allowed organisational members to exercise moral agency by deferring to the family or firm the prerogative of addressing their concerns (Archer, 2003, 2007a). At TechCorp, structural properties emerged on account of the close physical and psychological proximity of the

founder and other family members to the rest of the firm, which established proximate relationships among socio-organisational positions (Porpora, 1989). This arrangement of human relationships placed individuals, especially executives, under direct influence of the family, leading to their gradual socialisation into family values.

This socialisation effect seemed greatest when the founder became involved in the firm. In line with prior literature, I found that direct involvement of the founder in management, such as by serving as CEO, exercised considerable influence over the thoughts and behaviours of organisational members (Le Breton-Miller & Miller, 2009; Liang, Wang, & Cui, 2013; Minichilli, Corbetta, & MacMillan, 2010). The founder became akin to a role model unto others, with organisational members not infrequently referring to the founder in legendary and mythical language, depicting the founder as the veritable embodiment of values (Adams et al., 1996; Kammerlander et al., 2015; Neal & Vallejo, 2008; Schein, 1983; Spence, 2016; Zwack et al., 2016). As a result of this socialisation process, organisational members came to offer anywhere between their support and sympathy, through to allegiance and loyalty, to family values, often absorbing them as part of their own set of moral concerns. Indeed, at TechCorp family members actively influenced the firm's recruitment process to filter the 'right' candidates who were 'values-fit', employing individuals whose moral concerns already purportedly aligned with family values. Thus the emerging system of social relationships *qua* structural property not only predisposed individuals to resonate with family values but also to enlist family members, especially the founder, as the champions of those values (Archer, 2003, 2007a; Porpora, 1989). Blurred governance, through emerging structural properties, in turn, paved the way for some organisational members to experience a sense of enabled moral agency by deferring to family members the prerogative of addressing their moral concerns.

Whereas structural properties emergent from blurred governance relationships encouraged individuals to defer to *family members*, cultural emergent properties underpinned individuals' choice to defer to the *firm*. Blurred governance shaped the firm's cultural context by contributing towards the organisational corpus of '*intelligibilia*', or that which "has the dispositional capacity of being understood by someone" (Archer, 1995, p. 180). Specifically, through family involvement in the firm, organisational members were exposed to the imprinting of family values via symbolically significant interactions, in which they learned about: (1) formal firm values; (2) stories; and (3) business objectives (Kidwell et al., 2018). At TechCorp, this took place, for example, during onboarding sessions of new

hires and all-staff meetings (e.g., see subsections 5.3.3 and 7.2.1, respectively). Each of these interactions is discussed further below.

Firstly, family values institutionalised as firm values homogenised organisational members' interpretation of their environment; members often employed these values as the true 'moral' north by which to guide their behaviour (Kunda, 2006). Secondly, stories about the family firm helped ensure that values remained relevant and salient for organisational members, providing practical examples of how the firm applied them to ensure that 'it' does what is right and eschews what is wrong (Jaskiewicz et al., 2015; Jose Parada & Vilad s, 2010; Kammerlander et al., 2015; Zwack et al., 2016). Finally, the firm's non-economic and economic objectives communicated to organisational members the strategies and priorities reflective of family values (Chrisman et al., 2012; Le Breton-Miller & Miller, 2009; Zellweger et al., 2013). At TechCorp, for instance, a non-economic objective consisted in assisting Aboriginal and Torres Strait Islander peoples⁶, and an economic objective in establishing ownership and profit parameters, both of which echoed family values (see subsections 5.1.4 and 5.1.2, respectively).

Accordingly, codified values, stories, and business objectives *qua* cultural properties emergent from blurred governance rendered family values concrete and intelligible, allowing organisational members to grasp, decipher, understand, know, and possibly absorb them (Archer, 1998). Those individuals whose moral concerns correlated to cultural emergent properties could then find space to exercise moral agency by letting the 'firm' represent and address such concerns on their behalf.

The foregoing discussion indicates that organisational members may opt to exercise moral agency by deploying agentic projects whose strategy entails displacing to *external agents* (animate or inanimate) the prerogative of addressing their moral concerns (Archer, 2003, 2007a). Within a spectrum of moral agency, mediational projects may be held to represent the lowest relative degree of critical engagement towards one's circumstances (Figure 8.1). This is because in order to defer to a family or a firm, one cannot be too critical of them; rather, individuals who defer generally view their socio-cultural context as furnishing enough structural and cultural enablements as to appease their moral concerns (Archer, 2003, 2007a). Therefore, unlike common accounts of moral agency revolving around resistance to organisational pressures (e.g., Conroy, 2010; Hiekkataipale & L ms , 2019;

⁶ Aboriginal and Torres Strait Islander peoples refer to the original inhabitants of Australia.

Robson, 2015; Wilcox, 2012), mediating individuals were amenable to experience a sense of enabled moral agency without being too much overburdened with critiquing the *status quo*.

Yet the relative ease with which one can displace the prerogative of addressing one's moral concerns comes at a possible cost, namely, that of limited transformative potential. Because mediation presupposes a relatively stable object to which to defer, socio-cultural transformation might imperil those self-same cultural and structural properties initially deemed enabling of agentic pursuits (Archer, 2003). Put differently, individuals do not *need* to advocate for much (if any) change in their socio-cultural environment since that which they reflexively interpret as structurally and culturally available is sufficient to warrant their deferral. Hence mediational projects are likely to ensue in the *reproduction* of the environment as individuals resort to prevailing socio-cultural practices as means by which to attend to their concerns (Wilcox, 2016).

This notion of mediational projects parallels and extends extant formulations of moral agency in the organisational and management literature (see chapter 2). From a social cognitive perspective, for instance, mediation resembles Bandura's conception of 'proxy agency', by which "people try by one means or another to get those who have access to resources or expertise or who wield influence and power to act at their behest to secure the outcomes they desire" (Bandura, 2001, p. 13). Individuals who defer to others employ this "socially mediated mode of agency" (Bandura, 2002b, p. 270) either when they do not have the resources (e.g., time) to attend to their moral concerns or when they do not wish to directly exercise control over their affairs, enlisting others to do so (Bandura, 2001). While Bandura (2001, 2002b, 2006) emphasises that mediating individuals enlist *other people* as proxies, this thesis extends this view to argue that they may also defer to de-personalised *organisations*.

Although individuals may experience a sense of enabled moral agency when they mediate, this category of agentic projects also makes them vulnerable to the competence, power and favours of that to which, or those to whom, they defer (Bandura, 2001). Further, given that the act of mediating can reduce an individual's cognitive burden of critically engaging with their environment, they may be more likely to accept prevailing practices that upon further scrutiny might run counter to their own moral values (Martin et al., 2014). Thus, ironically, from a social cognitive perspective, the sense of enablement that mediating individuals might experience may be due to their capacity to *morally disengage* from their

own moral standards, for example, by displacing responsibility of one's actions or inactions to an external agent (Bandura, 2002a; Moore, 2015).

This latter point can be further elaborated by drawing on MacIntyre's conception of *compartmentalisation* as a constraining condition of moral agency (MacIntyre, 1999). According to MacIntyre (1999), compartmentalisation occurs when individuals face conflicting norms and values imposed upon them by separate spheres of activity (e.g., family life, workplace), rendering them unable to critically differentiate among such norms and values, and thus depriving them of understanding themselves as having an identity independent of their roles in each sphere. For MacIntyre (1999, p. 324), one of the signs of moral agency is the "overcoming [of] divisions within the self imposed by compartmentalization", thereby preserving the integrity of the self *qua* individual and not *qua* role-player. Yet, two conflicting interpretations emerge when applying these ideas to mediating individuals in this study.

On the one hand, mediating individuals may be held to exercise moral agency by operating in milieu and taking on social roles that allow for the genuine expression of their moral identity (MacIntyre, 1999). Put differently, these individuals may very well exercise the qualities or virtues they possess *qua* human beings by reason of working in a given organisation (MacIntyre, 1999). In the case of deferring to a firm, for example, these individuals avoid the perils of compartmentalisation insofar as their moral identities flourish at the intersection of the "spheres of private morality and public organisation" (Hine, 2007, p. 368). Under this interpretation, mediating individuals potentially fulfil the first precondition laid out by MacIntyre (1999) for the exercising of moral agency, that is, understanding oneself as having an identity independent of one's roles.

On the other hand, individuals who defer to external agents the prerogative of addressing their moral concerns may be held to be *giving in* to compartmentalisation, surrendering their moral identities to the social order in which they find themselves (MacIntyre, 1999). Individuals who do so tend to uncritically accept prevailing norms and as a result eschew the inner conflict of "living or acting... in a state of tension or even conflict between socially embodied points of view" that characterises moral agency (MacIntyre, 1999, p. 318). Viewed from this perspective, mediation amounts to nothing more than a psychological strategy to minimise cognitive dissonance.

In this thesis, I undertook to investigate how individuals subjectively experience a sense of enablement or constraint as they seek to appease their moral concerns (see chapter 3). I thus took the cue from Wilcox (2012) to study the *meaning* that individuals

ascribe to their actions, rather than imposing *a priori* normative criteria against which to judge their behaviour. Indeed, giving due consideration to *how* individuals interpret their actions is important because “in basing his [sic] conduct upon his reflexive deliberations, the agent draws directly on meanings known to him” (Archer, 2003, p. 51). Therefore, insofar as individuals experienced a sense of enablement as they deferred to external agents, I interpreted mediation as a valid, albeit potentially tenuous, expression of moral agency within a broader agentic spectrum (Wilcox, 2016).

In sum, structural and cultural properties emergent from blurred governance relationships led some organisational members to deploy mediational projects to appease their moral concerns. Mediation occurred in relation to the family and the firm as individuals enlisted them as proxies to act on their behalf. Given the relative lack of critical engagement displayed by mediating individuals relative to their circumstances, mediational projects entail a comparably low degree of socio-cultural transformative potential. However, not all organisational members opted for a relatively passive acceptance of their socio-cultural context, preferring instead to openly express their moral concerns to others. This scenario of more critical engagement is considered next.

8.1.2. Dialogical projects

Prior studies of moral agency in organisational research have documented how individuals attempt to address their moral concerns by engaging in interpersonal dialogue (e.g., (Hiekkataipale & Lämsä, 2019; Lovell, 2002b; Thomson & Jones, 2017; Watson et al., 2008; Wilcox, 2012). For example, in their respective studies, Wilcox (2012) and Hiekkataipale and Lämsä (2019) noted how research participants exercised moral agency by expressing their moral convictions when discussing ethical problems. Dialogue about ethical issues has also been documented in family firms, given the prevalence of family values and family involvement in organisations (e.g., O'Boyle et al., 2010; Sorenson et al., 2009). For instance, Sorenson et al. (2009) introduce the notion of “collaborative dialogue”, which they define as a “process that deepens common understanding and confirms agreed-on ethical norms” that starts within the family circle and gradually expands to encompass other stakeholders, like non-family members (p. 250).

My findings corroborate the notion that individuals may opt to voice their thoughts to appease their moral concerns (see section 6.2). Akin to studies by Wilcox (2012) and Hiekkataipale and Lämsä (2019), my data indicate that individuals spontaneously voiced

their concerns to both colleagues and organisational leaders about issues they deemed morally contentious. Yet, whereas Wilcox (2012) and Hiekkataipale and Lämsä (2019) generally describes interpersonal dialogue in terms of impromptu conversations that may or may not happen across an organisation, the present study suggests that such dialogue may also emerge as a result of planned and systematic work cycles stemming from family involvement. Said differently, my results indicate that individuals voiced their concerns not only on a spontaneous basis, but also during moments specially endorsed by the family for that purpose (e.g., in the form of 'retrospective meetings'). In this sense, my findings support Wilcox's (2012) contention that interpersonal reflection can occur regularly in organisations, but goes beyond to suggest that such reflective moments can be pre-programmed and scheduled on a cyclical basis in family firms. Indeed, such systematisation may serve as one such means by which 'collaborative dialogue' spreads from the family circle to the rest of a family firm (Sorenson et al., 2009).

In my study, I found that systematic reflective moments occurred as a direct result of blurred governance relationships, in which family influence fostered a *modus operandi* connected to family values (see subsection 5.3.2). From a critical realist perspective, blurred governance relationships contributed towards the emergence of *structural* properties by moulding organisational member interactions (Porpora, 1989), for example, by setting the spatial and temporal parameters within which 'retrospective meetings' unfolded. Similarly, and consistent with extant family business literature (e.g., Sorenson, 2014), my findings indicate that family involvement embedded family values in the firm, such as by shaping the firm's formal set of values (e.g., see subsection 5.1.1). Such embedding of family values, in turn, led to *cultural* emergent properties by informing the ideational objects (Archer, 2003), such as values-based 'working agreements', to which organisational members referred during their moments of interpersonal reflection.

The implication for moral agency is that blurred governance generated structural and cultural facilitators and impediments for individuals seeking to voice their moral concerns (Archer, 2003). Agentic projects formulated on the basis of socio-cultural facilitators were likely to produce a sense of enabled moral agency for their progenitors. For example, organisational members who resorted to the firm's family-based codified values *qua* cultural emergent property as the premise upon which to voice their concerns were afforded a means to have ethically-charged 'conversations' (see section 6.3). Likewise, individuals having conversations during retrospective meetings *qua* structural emergent property

availed themselves of organised cycles of human interaction to articulate moral concerns to others (Porpora, 1989).

In the context of fleshing out a spectrum of moral agency (Wilcox, 2016), the *voicing* of one's moral concerns emerged as a more active mode of critical engagement toward one's socio-cultural environment, when compared to that of mediational projects (Figure 8.1). In what I term the 'dialogical' projects, individuals aimed to exercise moral agency not by enlisting a firm or others as proxies for addressing their concerns, as in the case of mediational projects, but rather by directly expressing themselves to others. In contradistinction to mediational projects, individuals pursuing dialogical projects did not see their socio-cultural context as passively addressing their concerns; indeed, the fact that they were prompted to share their discontent with others implies that they no longer uncritically accepted the prevailing circumstances confronting them (Wilcox, 2016). Consequently, dialogical projects portend a greater socio-cultural transformative potential than mediational projects, for individuals who engage others in dialogue about ethical issues are more likely to openly voice their concerns and raise critical questions, thus potentially paving the way for something to 'change' in their environment.

From a social cognitive perspective of moral agency, individuals pursuing dialogical projects exemplify Bandura's (2001) conception of 'direct personal agency', whereby human agency is held to be a function of individual (1) intentionality, (2) forethought, (3) self-reactiveness, and (4) self-reflectiveness. Dialogical engagement fulfils these four features of direct personal agency, insofar as individuals who voice their moral concerns to others do so: (1) with intention of achieving a given purpose, namely, sharing their views; (2) because they foresee or anticipate that future events may run counter to their moral concerns; (3) by self-reacting through self-regulatory means, such as by monitoring how their personal moral values align with the circumstances they confront; (4) based on their capacity to self-reflect upon the *meaning* they ascribe to their behaviour, in line with their values and motivations, when pursuing certain outcomes. In a social cognitive reading, therefore, this study's conceptualisation of dialogical engagement helps showcase how the characteristics of direct personal agency outlined by Bandura (2001) may play out in organisations, accounts of which are currently missing in organisational research (Newman et al., 2019).

Moreover, in a MacIntyrean reading, dialogical engagement may be held to engender the *first two* preconditions for moral agency stipulated by MacIntyre (1999), namely, individuals (1) understanding their moral identity as independent of their roles, and (2) engaging in interpersonal dialogue. Dialogical engagement presupposes that individuals

understand their moral identities as distinct from their social roles, such that they are able to articulate their moral concerns to others should their social roles infringe upon their moral values. This implies that it is only when there is an incongruence between individuals' moral identities and their prescribed organisational functions that they are moved to express their dissatisfaction (Weaver, 2006). In this formulation, then, a particular kind of self-understanding *qua* moral agent (MacIntyre, 1999) is necessary for individuals pursuing dialogical projects.

In addition to understanding themselves capable of addressing their moral concerns, individuals seeking to exercise moral agency via dialogical projects need to participate in what MacIntyre (1999, p. 321) terms "systematic dialogue with others". According to MacIntyre (1999), it is only through such interpersonal exchanges that individuals are able to achieve confidence in how they judge the morality of any particular circumstance, insofar as by engaging in dialogue their opinions are liable to be critically scrutinised by others. By participating in systematic dialogue, individuals are amenable to receive social feedback as to the adequacy of their moral concerns, and thereby be moved to retain or reformulate their agentic projects accordingly (Archer, 2003, 2007a).

To summarise, organisational members deploying dialogical projects to address their moral concerns assumed a more critical stance towards their circumstances than those pursuing mediational projects. Blurred governance relationships led to dialogical projects when structural and cultural emergent properties favoured the sharing of one's concerns during interpersonal conversations. The open articulation of moral concerns in turn holds potential to usher socio-cultural transformation insofar as the now shared dissatisfaction may be apt to inspire action. Yet, as my findings indicate, while some individuals saw their moral concerns appeased by merely sharing them with their interlocutors, others, potentially fuelled by interpersonal dialogue, assumed an even more active mode of critical engagement, such as that of deliberately pursuing socio-cultural transformation. It is to this more active mode of critical engagement that we turn next.

8.1.3. Aspirational projects

Another expression of individual moral agency previously highlighted in organisational research pertains to endeavours to actively change prevailing conditions in line with one's moral concerns (e.g., Hiekkataipale & Lämsä, 2019; Wilcox, 2012). Scholars have noted that such attempts to bring about change are typically preceded by a critical interrogation of

current processes and decisions in organisations. For instance, Wilcox (2012, p. 93-94) illustrated how research participants “question[ed] prevailing routines and viewpoints” that ran counter to their moral values before attempting to attenuate the impact of downsizing on employees, such as by actively “fiddling the books”. Similarly, Hiekkataipale and Lämsä (2019, p. 154) reported that respondents were able to find “innovative and ethical solutions to the problems” upon experiencing “moral conflict” between their personal standards and organisational pressures. Consistent with Wilcox (2012) and Hiekkataipale and Lämsä (2019), this study found that individuals attempt to exercise moral agency by critically challenging and aspiring to transform their circumstances (see section 6.3).

Akin to influencing mediational and dialogical agentic projects, blurred governance relationships shaped the socio-cultural context within which aspirational projects were deployed. Relative to mediational and dialogical projects, aspirational projects entailed deliberate attempts to bring about socio-cultural transformation in line with one’s moral concerns. At TechCorp, family involvement in the firm produced structural emergent properties that established a relatively equitable set of social relationships, in which the CEO was held to account to the same moral standards as any other individual in the organisation (Archer, 2003; Porpora, 1989). Unlike a typical family firm where individuals are generally unwilling to challenge family members, especially founders (Schein, 1983), at TechCorp individuals openly questioned the actions and decisions of the family on moral grounds. Indeed, such challenging was actively encouraged by family members; the paradigmatic example of this being the letter the CEO, posing as TechCorp, ‘wrote’ to the himself on the importance of upholding ‘its’ values (see subsection 5.3.1).

Structural characteristics that rendered family members accountable to institutional moral standards encouraged individuals to try and make adjustments to their surroundings based on such moral standards. This meant that structural emergent properties operated in tandem with cultural emergent properties; while the former underpinned the social arrangements that allowed individuals to challenge one another, the latter supplied the ideational objects – formal and informal norms and values – against which individuals held each other to account (Archer, 1995, 2003; Porpora, 1989). Akin to structural properties, these cultural properties emerged as a result of family involvement in the firm, which injected family-based values into the firm and forged acceptable modes of being. In many respects, then, blurred governance relationships embedded the firm, as well as its organisational members, *within* the family, encouraging individuals to direct their aspirational projects to safeguard the integrity of family-held values (Le Breton-Miller & Miller, 2009).

The exercise of moral agency to challenge and change the *status quo* represented the most active mode of critical engagement within an agentic spectrum (Figure 8.1). Individuals who aspired transformation were not content with merely sharing their thoughts with others, as seen in dialogical projects, but were rather actively seeking preventive or corrective action in line with their moral concerns. Said differently, a higher mode of critical engagement with respect to one's circumstances prompted individuals to move beyond just opining to more actively challenging and seeking change. Owing to its relatively elevated critical stance, aspirational projects embody the greatest socio-cultural transformative potential in an agentic spectrum, currently construed.

From a social cognitive perspective, aspirational projects, like dialogical projects, represent yet another manifestation of direct personal agency (Bandura, 2001). In other words, the core features of direct personal agency flagged by Bandura (2001; i.e., intentionality, forethought, self-reactiveness, and self-reflectiveness) are also present in aspirational projects. Thus individuals who aspired change deployed agentic projects with transformative goals (Archer, 2003, 2007a), anticipated the effectiveness of their actions, judged their own conduct in relation to their context and personal moral standards, and assessed the underlying meaning of their pursuits (Bandura, 2001).

Characterised thus, Bandura's conception of individual agency parallels that of Archer's, suggesting that both authors share similar presuppositions about the moral *subject*. Akin to Bandura (2001), Archer (2003) assumes a reflexive first-person perspective of agency that requires individuals to know their own concerns and intentionally address them over time. Archer's (2003, 2007a) idea of reflexivity through the internal conversation allows individuals to develop and prioritise their preferences, diagnose their situations, deliberate upon their concerns, and define their projects. Hence it is this reflexivity that is deemed causally efficacious, for it underpins individuals' powers to not only transform the circumstances they confront, but also to direct and regulate their own behaviour in line with their concerns (Bandura, 2001).

In a MacIntyrean reading, individuals pursuing aspirational projects fulfil *all three* preconditions for moral agency, that is, they not only understand themselves as having a particular moral identity and participate in dialogue with others, but also hold each other accountable for their deliberations and actions (MacIntyre, 1999). This latter precondition, accountability, combines intrapersonal moral identity and interpersonal dialogue to inform a particular kind of social relationship in which individuals hold others to account to the same moral standards that they themselves defend or are seen to defend. Indeed, MacIntyre

(1999) suggests that moral agency is exercised when individuals who hold others to account also *themselves give account* of their reasons for challenging prevailing circumstances. For MacIntyre (1999, p. 317), “In giving such accounts they are inviting those who have hitherto accepted the established standards also to engage with them in critical deliberative conversation.” This idea of mutual accountability explored subsequently (in subsection 8.2.2.3) when discussing the conditions in which individuals experience a sense of enabled and constrained moral agency.

In synthesis, aspirational projects represented the highest relative degree of critical engagement towards one’s circumstances in the spectrum of moral agency. Blurred governance relationships inspired aspirational projects as individuals interpreted their socio-cultural environment as being structurally and culturally ripe for change in line with their moral concerns. Thus aspirational projects are geared towards challenging and changing the *status quo*.

Yet, despite being more critical than mediational and dialogical projects, aspirational projects arguably do not bring about complete socio-cultural transformation. This is due to two reasons. Firstly, individuals deploying aspirational projects commonly focus on challenging other people’s activities, rather than their values, implicitly assuming that such values – especially family-inspired firm values – are beyond discussion. Secondly, while aspirational projects might succeed in challenging other people’s activities, doing so may not fundamentally alter the socio-cultural context within which they operate. Therefore, although aspirational projects inspire change, they can also play a highly morphostatic role, encouraging the reproduction of existing structures (Archer, 1995). This points to challenges more critically-minded individuals may face when seeking to exercise moral agency in family firms.

Their level of criticality notwithstanding, all agentic projects are liable to encounter both socio-cultural enablements and constraints that facilitate and obstruct individual moral agency (Archer, 2003). These mechanisms whereby, and the conditions under which, enabling and constraining occur are considered below.

8.2. Enabling and constraining of individual moral agency

The foregoing section explored how blurred governance relationships give rise to structural and cultural emergent properties that shape the organisational context within which agentic projects are pursued. This section continues the discussion to address this thesis’ second

research sub-question: *What are the mechanisms whereby, and conditions under which, blurred governance relationships affect individual moral agency?* Specifically, this section begins by exploring the different generative mechanisms associated with blurred governance that affect mediational, dialogical, and aspirational projects. It then discusses the conditions under which these generative mechanisms enable and constrain individual moral agency. In drawing from empirical findings associated with the first research sub-question and by responding to the second research sub-question, this section also addresses the study's central research question: *How do blurred governance relationships enable and constrain individual moral agency in family firms?*

Overall, this section advances critical realist organisational research by postulating the generative mechanisms associated with blurred governance that impinge upon individual moral agency, as well as the conditions under which they operate. Concomitantly, it contributes towards the family business ethics literature by explicating how the imposition of family values through blurred governance enables and constrains individual moral agency in family firms. These contributions are fleshed out in the following subsections.

8.2.1. Generative mechanisms that influence individual moral agency

Critical realists employ the concept of generative mechanisms to explain *how* structure influences agency (e.g., Delbridge & Edwards, 2013; Herepath, 2014), predicated on the view that generative mechanisms engender the *ways of acting* of social objects (Sayer, 2010). From an Archerian perspective, generative mechanisms relating to structural and cultural emergent properties (see section 8.1) influence agency by shaping the context in which individuals operate: "all structural influences (i.e. the generative powers of SEPs and CEPs [structural emergent properties and cultural emergent properties, respectively]) are mediated to people shaping the situations in which they find themselves" (Archer, 1995, p. 196). As Archer (2003) maintains, these structural influences remain inactive unless and until triggered by agents pursuing social projects. In other words, the activation of generative mechanisms presupposes the *interaction* of structure and agency. As such, this subsection investigates which generative mechanisms are potentially triggered as individuals seek to exercise moral agency when deploying different agentic projects, as well as the conditions under which individuals feel enabled and constrained when doing so.

Scholars have identified a number of generative mechanisms that shape the situations in which organisational members find themselves. These can be classified as

extra- and intra-organisational. Extra-organisational mechanisms refer to macro-level influences, such as the socio-political system (Thursfield & Hamblett, 2004), market-based logics (Wilcox, 2012), and sector policies and regulation (Herepath, 2014). These affect organisational members indirectly by influencing organisational practices, like human resource management policies (Thursfield & Hamblett, 2004; Wilcox, 2012).

Although critical realists have traditionally focussed on social, rather than organisational structures (Tuominen & Lehtonen, 2017), organisational researchers have begun investigating how firm-level generative mechanisms affect moral agency. For example, Wilcox (2012) posits three interrelated mechanisms that affect individuals' pursuit of ethical practice in organisations: (1) self-identification with external values and norms; (2) interpersonal reflection; and (3) social reinforcement of values and norms. Other authors have also alluded to these mechanisms in relation to moral agency (e.g., Bird & Waters, 1989; Hiekkataipale & Lämsä, 2019; Lovell, 2002a; Moberg, 2006). The following subsections extend prior research by exploring how such generative mechanisms may enable and constrain moral agency in the context of family firms marked by blurred governance relationships.

First, *self-identification* with values and norms has been flagged as a generative mechanism that enables individuals to cultivate a moral identity that is independent from prevailing market-based logics (Hiekkataipale & Lämsä, 2019; Weaver, 2006; Wilcox, 2012). According to Wilcox (2012, p. 93), such norms supply “an alternative source of moral standards” to which individuals can resort when facing ethical dilemmas in organisations. The degree to which individuals identify with alternative logics, in turn, renders their moral identity more or less salient, thereby influencing how they exercise moral agency for the pursuit of ethical practice (Weaver, 2006, 2017).

In the context of family firms, my findings indicate that organisational members may self-identify not only with external values and norms, but also with the *family* and/or the *firm itself*. From a critical realist perspective, the moral subject doing the self-identification is one who is reflexively drawing upon firm-level structural and cultural emergent properties to inform their agentic projects (Archer, 2003, 2007a). As discussed earlier (see subsection 8.1.1), individuals who self-identify with the *family* do so on account of structural properties emergent from blurred governance relationships that allow them to establish close social relationships with family members (Porpora, 1989). Likewise, cultural emergent properties in the form of codified values, stories, and business objectives underpinned individuals' self-identification with the *firm* (Archer, 2003; see subsection 8.1.1). I found that individuals who

self-identify with the family or firm on account of being exposed to such structural and cultural properties were moved to pursue mediational projects, deferring to external agents the prerogative of addressing their moral concerns. Hence self-identification served as a generative mechanism for the exercise of moral agency in family firms.

Second, the generative mechanism of *interpersonal reflection* has been advanced as contributing to individuals' sense of moral agency in organisations (Bird & Waters, 1989; Hiekkataipale & Lämsä, 2019; Moberg, 2006; Wilcox, 2012). For example, adopting the term 'reflective relational spaces', Wilcox (2012) suggests that interpersonal reflection within regular meetings opens up avenues for interaction in which individuals can critically question prevailing practices and share their moral concerns. Interpersonal reflection is also held to increase individuals' sense of self-efficacy in pursuing ethical practice as others may support them in addressing their moral concerns (Hiekkataipale & Lämsä, 2019). Moreover, interpersonal reflection is depicted as instrumental in helping individuals address their 'ethics blind spots', or the "defects in one's perceptual field that can cloud one's judgment" about ethical action, since they can receive feedback about their behaviour from their interlocutors (MacIntyre, 1999; Moberg, 2006, p. 414).

My findings support the view that interpersonal reflection may operate as a generative mechanism by which individuals exercise moral agency in family firms. In the context of an agentic spectrum, interpersonal reflection became a relevant mechanism for individuals pursuing dialogical projects, insofar as it sustained ongoing dialogue about ethical issues, particularly within systematic cycles of action and reflection. Blurred governance relationships sustained the socio-cultural context within which interpersonal reflection took place by producing structural and cultural properties that informed individuals' deliberations about their moral concerns (see subsection 8.1.2). On the one hand, by engaging in systematic cycles of action and reflection, for example, individuals enacted a particular form of social interaction *qua* structural system emergent from family involvement in the firm (Porpora, 1989). On the other, interpersonal reflections were often couched in terms of family-based values *qua* cultural properties that made their way down to the operational level of the firm through blurred governance relationships (Archer, 2003).

The third intra-organisational generative mechanism associated with moral agency typically documented in the organisational research literature pertains to the *social reinforcement of shared norms* (Hiekkataipale & Lämsä, 2019; Wilcox, 2012). Social reinforcement occurs when individuals call each other out for supposed transgressions against what they perceive are (or ought to be) shared moral concerns, thereby aiming to

prevent or remedy a course of action. In her empirical study, Wilcox (2012) suggests that such social reinforcement takes place *during* interpersonal reflection, implying that two distinct generative mechanisms complement each other to create space for moral agency.

My study corroborates the contention that moments of interpersonal reflection may lead individuals to collectively reinforce shared norms by either explicitly citing them or alluding to them in their conversations. However, I also found that organisational members often call out each other outside circumscribed reflective moments, suggesting that social reinforcement may operate as an independent generative mechanism. Social reinforcement occurred sporadically as part of everyday organisational life, even among individuals who at first glance may not share similar sets of moral concerns, as in the case of an analyst challenging the CEO for an alleged norm violation (see section 6.2).

In the context of an agentic spectrum, social reinforcement *qua* generative mechanism appeared chiefly related to individuals pursuing aspirational projects. Blurred governance relationships supplied the cultural properties that organisational members invoked to make their case for socio-cultural change, such as the firm's codified values (Archer, 2003). Similarly, family involvement in the firm inspired certain social relationships *qua* structural property that impelled organisational members to challenge each other's decisions and actions on moral grounds (Porpora, 1989). Those individuals pursuing socio-cultural change to address their moral concerns could resort to structural and cultural elements brought forth by blurred governance to mutually reinforce (supposedly) shared norms.

In sum, this study posits that individuals seeking to exercise moral agency through mediational, dialogical, and aspirational projects addressed their concerns via, respectively, three generative mechanisms: (1) self-identification; (2) interpersonal reflection; and (3) social reinforcement. Although they are presented here as analytically distinct, these mechanisms were found to often overlap in practice.

However, the conditions under which these generative mechanisms result in experiences of enabled and constrained moral agency have not been fully articulated in the organisational research literature. As a result, generative mechanisms are often dichotomously portrayed as *either* enabling *or* disabling of moral agency. For example, Wilcox (2012) describes self-identification, interpersonal reflection, and social reinforcement as mechanisms that inherently *enable* moral agency against constraining market-based logics. Although under a critical realist formulation, individuals are presumed to interpret their agentic projects, at any one time, as *either* successful *or* unsuccessful in terms of

appeasing their moral concerns (they can always revise their projects, however; Archer, 2003), generative mechanisms are held to be capable of *both* facilitating *and* obstructing moral agency, depending on prevailing conditions. Accordingly, the following section explores the conditions under which the *same* mechanism may render individual moral agency enabled and constrained.

8.2.2. Enabling and disabling conditions

In this thesis, the enabling and constraining of moral agency was defined as a function of individuals' subjective experiences as they engage in 'projects' or deliberate courses of action to address their moral concerns (see chapter 3). Whereas a sense of enablement is produced when individuals reflexively understand their moral concerns appeased as a result of a given project, a sense of constraint ensues from the reflexive interpretation that one's actions failed to cater to one's concerns. As discussed in section 8.1, blurred governance relationships generate structural and cultural emergent properties that shape the socio-cultural context in which individuals operate and within which they deploy agentic projects. Thus it is at the nexus of structure and agency or 'context and concerns' (Archer, 2007a) that enabling and constraining experiences occur. This critical realist position is in marked contrast with 'conflationary' accounts of structure and agency, such as that of Giddens (see chapter 3). That is to say, rather than ascribing causal powers exclusively to structure or agency, or rendering them as an inseparable amalgam, critical realists ascertain their ontic differentiation, capable of independently affecting one another (Archer, 1995).

In this vein, this subsection explores how individuals pursuing mediational, dialogical, and aspirational projects experience a sense of enablement or constraint when confronting their socio-cultural contexts. This will be done by referring to the three generative mechanisms identified in subsection 8.2.1, and by examining the varying conditions under which these mechanisms enable and constrain individual moral agency under blurred governance relationships. The argument developed here is summarised in Table 8.1 below.

		Agentic projects		
		Mediational	Dialogical	Aspirational
		Associated generative mechanisms		
		Self-identification	Interpersonal reflection	Social reinforcement
Conditions under which mechanisms produce enabling /constraining experiences of moral agency	Enabling	Congruence between individuals' moral concerns and family/firm behaviour	Convergence of values among interlocutors	Mutual accountability
	Disabling	Incongruence between individuals' moral concerns and family/firm behaviour	Divergence of values among interlocutors	Asymmetric accountability

Table 8.1 Agentic projects and the enabling and constraining of moral agency

8.2.2.1. Self-identification and mediational projects

Individuals who deploy mediational projects presumably identify themselves with a firm or a family, insofar as they enlist them as proxies for the fulfilment of their moral concerns (see subsection 8.1.1). As a result, the agentic projects they formulate and pursue are predicated on the view that it is the firm's or family's responsibility to support their moral concerns. In this mediated mode of moral agency, there is therefore a direct link, via self-identification, between individuals' agentic projects and a firm's or family's sayings and doings. This suggests that the extent to which individuals' projects are enabled or constrained depends upon their reflexive interpretations about whether or not a family or firm is successful in addressing their moral concerns (Archer, 2003).

My findings indicate that individuals pursuing mediational projects were likely to experience a sense of enabled moral agency when they 'saw' a firm or family explicitly addressing their moral concerns. This was exemplified, for instance, when one research participant cited TechCorp Foundation as a practical means to enact social justice, thereby deferring to the firm the prerogative of addressing that particular moral concern (see section 6.1). Hence it appears that it is not *merely* individuals' self-identification with a set of reified values or norms that substantiates their sense of agency, as suggested by Wilcox (2012),

but rather a perceived translation of those values and norms into concrete action by the external agent.

In contradistinction, my study indicates that individuals interpreted their mediational projects as constrained when they failed to recognise their moral concerns as having been addressed through family or firm behaviour (Table 8.1). Empirically, for example, this became salient when individuals who in principle identified with the family or firm interpreted the latter's behaviour as unjust (e.g., see section 6.1). This indicates that self-identification *qua* generative mechanism may amplify or exacerbate the sense of moral agency experienced by those pursuing mediational projects. Individuals who identify with a firm or family may find their agentic projects enabled when, upon deferring to a firm or family, acknowledge a sustained level of congruence between the latter's behaviour and their moral concerns. Conversely, individuals who may otherwise identify with a firm or family may feel a heightened sense of disappointment when the object upon whose behaviour they relied to address their moral concerns frustrates their projects. In this regard, mediational projects rest on somewhat fragile grounds (de Graaf, 2019; Thomson & Jones, 2017), for individuals' subjective experiences of enablement and constraint are contingent upon the choices made by those enlisted to act on their behalf.

A possible explanation for the enabling *and* constraining effects of self-identification is that the structural and cultural properties emergent from blurred governance relationships influence the *centrality* and *salience* of organisational members' moral identity (Weaver, 2006, 2017). In this view, moral identity forms a part of an individual's cognitive self-schema (Weaver, 2017). While moral identity centrality denotes its level of self-importance to an individual, its salience refers to the extent to which an individual is responsive to it under external conditions, both of which affect subsequent behaviour (Weaver, 2006). However, far from being construed as a stable behavioural personality trait, individuals' moral identity(ies) are considered fluid, complex, and contingent upon situational factors that render their components more or less central and salient (Shao, Aquino, & Freeman, 2008; Weaver, 2006). Ontologically, this position correlates with both virtue ethical (Weaver, 2006, 2017) and critical realist (Archer, 2000, 2002, 2003) accounts of identity as partly emergent from, and responsive to, individual experience, interrelationships, and social structures.

Individuals pursuing mediational projects may experience a sense of enabled or constrained moral agency to the extent that blurred governance, though structural and cultural emergent properties, render their moral identities more or less central and salient. As alluded to earlier (see subsection 8.1.1), blurred governance may shape one's set of

moral concerns (e.g., through stories) and thus the centrality of one's moral identity — or the self-importance one ascribes to that particular element of their moral identity (Weaver, 2006). At TechCorp, for example, non-family executives often 'bought into' family values, possibly making them a central part of their own moral identities (see subsection 5.2.2). Subsequent family or firm behaviour, in turn, may influence the extent to which individuals' moral identities become more or less salient (Shao et al., 2008; Weaver, 2006). The greater the moral identity salience the more likely individuals are to reflexively interpret their mediational projects as successful in addressing their moral concerns, given the perceived alignment between their moral identities and family or firm behaviour.

Conversely, perceived departures of family or firm behaviour from one's moral identity can result in cognitive dissonance and emotional discomfort, leading to experiences of constrained agency or, arguably worse, moral disengagement (Weaver, 2006; Weaver & Agle, 2002). Thus, by influencing individuals' moral identities, blurred governance relationships may generate enabled or constrained experiences of moral agency for those who identify themselves with a family or firm.

8.2.2.2. Interpersonal reflection and dialogical projects

My findings indicate that interpersonal reflection served as an important generative mechanism for individuals seeking to exercise moral agency through dialogical projects. At TechCorp, blurred governance relationships through family involvement in the firm gave rise to a *modus operandi* characterised by recurring cycles of action and reflection (see subsection 5.3.2). As mentioned earlier (see subsection 8.1.2), blurred governance relationships contributed towards the emergence of *structural* properties by moulding organisational member interactions during moments of interpersonal reflection, such as 'retrospective meetings' (Porpora, 1989). Similarly, family involvement led to *cultural* emergent properties consisting of the ideational objects to which organisational members referred during reflective moments, like family-based codified values. However, akin to self-identification, varying conditions led interpersonal reflection *qua* generative mechanism to both enable and constrain individual moral agency.

In this study, blurred governance relationships created a sense of enabled moral agency when emergent cultural and structural properties resulted in interpersonal reflections that were based on *shared values* (Archer, 2003). Culturally, family involvement produced shared values by institutionalising and promoting expected standards of behaviour, and

encouraging organisational members to actively refer to those standards in the course of their daily interactions (e.g., see subsection 5.3.3). Structurally, family members socialised family values by tapping into networks of human relationships involving non-family executives and employees, through which family-based values were transmitted (e.g., see subsection 5.2.1). These structural and cultural properties resulted in a ‘values congruence’ among organisational members, which sustained dialogue around common ethical principles in the family firm (O’Boyle et al., 2010).

Accordingly, my findings support prior studies in indicating that interpersonal reflection may lead to a sense of enabled moral agency when dialogue is based on shared values (e.g., Wilcox, 2012). Underpinned by shared values, interpersonal reflection arguably creates those ‘reflective relational spaces’ mentioned by Wilcox (2012), in which individuals feel safe to voice their moral concerns. Also similar to Wilcox (2012), I found that such shared values may be codified or uncoded, internally constructed by interlocutors or externally imposed upon them. For example, TechCorp’s executive team’s ‘working agreements’ illustrate a codified and internally constructed set of shared values (see subsection 5.2.1), whereas a team’s refusal to engage in questionable practices because of a collective sense that ‘we’re not that kind of company’ reflects values that are uncoded and externally imposed (see section 6.3).

An interesting finding of this research is that shared values guide interpersonal reflection to the extent that they are openly cited by interlocutors. From a social cognitive perspective, openly expressing shared values during interpersonal reflection can generate ‘moral reminders’ that keep interlocutors morally engaged with common moral premises (Kish-Gephart et al., 2014; Shu et al., 2011). When invoked, shared values (re)call interlocutors to what is supposedly ‘agreed upon’, simultaneously reducing situational ambiguity and heightening individuals’ moral awareness and felt responsibility to abide by them (Kish-Gephart et al., 2014; Shu et al., 2011). Further, explicitly citing shared values communicates collective moral standards, which assists interlocutors to discern laudable from unacceptable moral behaviour (Moberg, 2006). Consequently, openly referring to shared values appears to establish the parameters within which dialogue is expected to occur, delineating the types of moral concerns to be articulated and thereby the kinds of dialogical projects to be put forward.

While openly expressing shared values conditions interpersonal reflection *qua* generative mechanism, the citing of values that were *codified* and *internally built* exercised a particularly strong effect in individuals’ sense of agency. That is, individuals pursuing

dialogical projects often enjoyed a sense of enabled moral agency when they and their interlocutors referred to values that they themselves had forged, as in the case of 'working agreements' (see subsection 5.2.1). On the one hand, subscribing to codified values may inspire a high level of commitment to them, raising moral awareness and subsequent moral engagement (Shu et al., 2011). On the other, values that are internally built, rather than externally imposed, act as a type of 'goal' that individuals co-construct to orient their behaviour. Participating in such goal-setting, like developing working agreements, helps individuals keep morally engaged with shared values (Barsky, 2011). Finally, codified and internally built shared values are not only readily retrievable during interpersonal reflection, but automatically regarded as relevant and fair among those who participated in their co-construction (Barsky, 2011). To a lesser extent, openly expressing shared values that are *uncodified* or *externally imposed* can also potentially assist individuals engage in dialogue to address their moral concerns, although the degree to which they are in fact 'shared' among interlocutors is more ambiguous than codified and internally built values. What seems important is the collective *perception* that values – whether codified, uncodified, internally built or externally imposed – are shared to provide the grounds for individuals to address their moral concerns during interpersonal reflection.

However, blurred governance relationships may frustrate dialogical projects when structural and cultural emergent properties lead to divergence of values among interlocutors during interpersonal reflection (Table 8.1). At TechCorp, a prominent instance of such divergence was the Google memo incident, where some organisational members were unable to voice their thoughts and opinions in the 'Diversity & Inclusion' Slack channel (see subsection 7.1.1). From a cultural perspective, the Slack channel emerged as an objective impingement of the family-based value of diversity and inclusion, set up with the explicit purpose of fostering debate (Archer, 2007b). Interlocutors in that channel were bound by a family-imposed object of discussion, creating a shared normative order that influenced organisational members' focus of attention and thereby their interactions (Kunda, 2006; O'Reilly & Chatman, 1996). From a structural standpoint, the Slack channel organised human relationships in a free-for-all discussion that perhaps incorrectly assumed that individuals shared the same moral concerns and ideas around diversity and inclusion (Porpora, 1989). These cultural and structural properties reflective of the family's desire to promote its values brought together individuals who could not find common grounds to constructively reflect upon the meaning and implications of diversity and inclusion. Thus

when the divergence of values among interlocutors became apparent, the discussion quickly descended into crosstalk and chaos, constraining many a dialogical project.

Further, I found that divergence of values during interpersonal reflection led to the formation of siloed and antagonistic positions, sharpening the contrast between those included and excluded from prevailing dialogues (Thomson & Jones, 2017). Excluded individuals often experienced constraint because although their moral concerns may have been voiced, they were not heeded by their interlocutors, their thoughts being met with silent indifference or rancour. As Lovell (2002a, p. 151) puts it, in the context of moral agency, “[t]alk is not enough if no-one is listening.” Thus, consistent with prior literature that explored the need for open dialogue for the exercise of moral agency (e.g., Bird & Waters, 1989; Hiekkataipale & Lämsä, 2019; Lovell, 2002a, 2002b; Thomson & Jones, 2017), divergence of values during interpersonal reflection meant that constructive debates about moral issues were unlikely to progress.

8.2.2.3. Social reinforcement and aspirational projects

My study suggests that individuals seeking to address their moral concerns through aspirational projects, aimed at actively changing their circumstances, generally do so through the *social reinforcement of values*. Social reinforcement *qua* generative mechanism operated through social regulation processes akin to informal surveillance and sanctioning systems (Tenbrunsel, Smith-Crowe, & Umphress, 2003; Tenbrunsel & Smith-Crowe, 2008). Organisational members, working outside formal channels, reinforced values by both detecting deviation from expected behavioural standards (informal surveillance) and applying corresponding social rewards and punishments (informal sanctioning; Tenbrunsel et al., 2003).

However, depending on structural and cultural conditions created by blurred governance relationships, values reinforcement either enabled or constrained aspirational projects (Table 8.1). Specifically, this research suggests that blurred governance facilitates moral agency when values reinforcement is underpinned by a level of *mutual accountability*, whereby individuals held others, and willingly submitted themselves, to account for shared values. At TechCorp, family involvement in the firm resulted in a cultural ethos by which individuals mutually called each other out for potential violations of codified values (e.g., see section 6.2). This cultural property was reinforced by the structural pattern of human

relationships that ensued when family members, especially the CEO, openly submitted to themselves being called out for the same reason (e.g., see subsection 5.22; Porpora, 1989). The CEO acted as an exemplar for placing TechCorp values over and above organisational positions, being the first to bend his knee to family-based and religiously-informed values, thus paving the way for others to adopt the same structural pattern (Schein, 1983). In this way, cultural and structural properties emergent from blurred governance allowed for the social reinforcement of values based on a socio-cultural dynamic of mutual accountability.

One reason why mutual accountability underpinned individuals' sense of enabled moral agency is because it allowed for perceptible changes in the immediate environment. Individuals pursuing aspirational projects were often able to take advantage of structural and cultural conditions and trigger behavioural change by challenging hitherto unquestioned decisions (MacIntyre, 1999), such as a marketing campaign deemed to violate shared values (see section 6.3). The ensuing changes in the environment underpinned individuals' reflexive interpretations about the success of their aspirational projects in remedying potential misconduct, resulting in experiences of enabled moral agency (Archer, 2003, 2007a).

The exercise of moral agency by detecting and calling out perceived deviations from moral standards suggests that systems of informal surveillance and sanction afforded opportunities for individuals to address their moral concerns (Tenbrunsel et al., 2003). However, in my study, individuals who did so often only experienced a sense of *enabled* moral agency insofar as *others* readily recognised the validity of the challenge by admitting to their own wrongdoing and agreeing to review their actions. Exercising moral agency through aspirational projects relied on the existence and enforcement of a kind of social contract based on shared moral premises, to which parties willingly held each other, and themselves, accountable. This sense of social obligation seemed to create a virtuous cycle of moral agency, where each instance of behavioural regulation served to keep both the challenger and the challenged morally engaged with collective standards (Hiekkataipale & Lämsä, 2019). Thus when blurred governance led to social reinforcement through mutual accountability, individuals were apt to experience a sense of enabled moral agency.

Conversely, social reinforcement of values *qua* generative mechanism frustrated aspirational projects when mutual accountability was absent due to prevailing cultural and structural arrangements. Blurred governance relationships at TechCorp meant that deeply-held family values informed cultural emergent properties within the firm, some of which seemed well-nigh impossible to challenge and change, such as the family's definition of

‘diversity and inclusion’ (see subsection 7.1.3). Organisational members’ aspirational projects running counter to an intransigent “family point of view” were generally impeded, ensuing in the reproduction, rather than transformation, of the prevailing cultural context (Archer, 1995; Sorenson et al., 2009).

Additionally, structural properties emergent from family involvement in governance and management created systems of social surveillance and sanction (Tenbrunsel et al., 2003) throughout the firm. The presence of family loyalists or ‘guardians’ (see subsection 5.21), meant that family members could count on proxies to informally monitor and discipline thoughts and behaviours that deviated from family values. When mutual accountability was absent, the prospect of attracting social sanctions often suppressed the exercise of moral agency. Thus, consistent with prior research, I found that individuals’ withdrew from their moral concerns due to fears of losing their jobs (Lovell, 2002a, 2002b), being blacklisted (Hiekkataipale & Lämsä, 2019), and exclusion from social groups (Thomson & Jones, 2017). In these cases, social reinforcement was driven by *asymmetric* accountability, rather than *mutual* accountability, constraining individual moral agency of those in relatively vulnerable positions (e.g., rank-and-file employees).

Mutual accountability as a condition for the exercise of moral agency draws attention to the ‘connected’ nature of moral agency in organisations, by which individuals’ actions are held to be conditioned upon those of another (Watson et al., 2008). According to Watson et al. (2008, p. 336), the exercise of moral agency presupposes that individuals act “interdependently upon deliberated values”; while deliberated understandings yield a deeper appreciation of issues at hand, interdependent collaborations capture the interests of multiple stakeholders. When considering experiences of enabled moral agency in the context of an agentic spectrum, however, Watson et al.’s (2008) proposition may be more applicable to aspirational, and, to a lesser extent, dialogical projects, but tenuously so to mediated ones. Aspirational and dialogical projects are contingent upon interacting individuals seeking to address their moral concerns; the former based on *social* reinforcement and the latter on *interpersonal* reflection. Ultimately, individuals pursuing these agentic projects rely on *others’* willingness to partake in the quest of addressing their moral concerns; whereas aspirational projects primarily depend on others’ willingness to *change* their ways, dialogical projects rely on individuals’ willingness to *listen* to others’ moral concerns.

Conversely, mediated projects are mainly contingent on the degree of self-identification that an individual may have with a family or firm. When compared to

aspirational and dialogical projects, individuals' reflexive deliberations about the success or failure of mediated projects rely less on interpersonal engagement outcomes than the behaviour of external agents elected to address their concerns on their behalf (Archer, 2003). Indeed, it may well be that mediating individuals are more vulnerable to cognitive self-deception precisely *because* they are less 'connected' to others in the exercise of moral agency (Bandura, 2001; Watson et al., 2008). Therefore, in response to Watson et al. (2008), the degree of 'connectedness' of moral agency may vary depending on the particular category of agentic project employed by individuals to address their moral concerns.

8.3. Key lines of argument

The aim of this chapter was to discuss the significance of the empirical findings in relation to existing literature to frame this thesis' contributions to knowledge. It did so by employing an Archerian critical realist lens to argue that blurred governance enables and constrains individual moral agency in family firms by giving rise to structural and cultural properties that impinge upon agentic projects. It extended Wilcox's (2016) notion of an agentic spectrum by positing three different types of agentic projects, which vary according to the level of critical engagement individuals assume towards their circumstances and to the potential of each agentic project to bring about socio-cultural transformation. Moreover, this chapter reached across ontological strata to postulate three distinct but overlapping generative mechanisms associated blurred governance that affect these self-same agentic projects. In doing so, it accounted for the conditions under which organisational members felt a sense of enablement and constraint as they formulated agentic projects to address their moral concerns. Hence this chapter sought to make contributions to the family business ethics literature by expounding the ethical implications of blurred governance, as well as to critical realist organisational research by positing and examining generative mechanisms that influence individual moral agency in family firms.

Chapter 9: Conclusion

The aim of this chapter is to provide an overarching view of the thesis as it unfolded in response to the research questions, as well as explicitly state the contributions to knowledge of the study, acknowledge its limitations, and propose future research directions and implications for practice.

The chapter begins by synthesising the overall content of the thesis, including the underlying research problem that motivated this study's Archerian critical realist approach, and the answers to the research questions. It then articulates the key theoretical, empirical, and methodological contributions of this thesis to existing bodies of work. Theoretically, this research advances the promising but as yet underexplored field of family business ethics (O'Boyle et al., 2010; Sharma & Sharma, 2011; Spence, 2014; Vazquez, 2018) by developing the notion of a spectrum of moral agency (Wilcox, 2016) in family firms. This contribution permits a critical examination of how blurred governance impacts organisational members' sense of agency as they deploy different types of agentic projects. It also helps explain how agentic projects may lead to socio-cultural reproduction or transformation, thereby leading to change or stability in family firms. Also from a theoretical perspective, this thesis develops critical realist organisational research by exploring the generative mechanisms that affect individual moral agency and the conditions under they may lead to experiences of enablement and constraint. This leads to a better understanding of how mechanisms operate based on the nature of agentic projects and prevailing structural and cultural conditions. Empirically, this research advances the family business governance and moral agency literatures by addressing the dearth of empirical work on the actual behaviours of family members, as well as social cognitive and MacIntyrean accounts of moral agency in organisations, respectively. From a methodological standpoint, this study serves as a primer on analysing family business ethics through the critical realist explanatory logics of abduction and retroduction. This paves the way for future researchers to explore the interrelationship between structure and agency in family firms.

The chapter continues to note the limitations of the study, and proposes how further research can address these and other considerations. Finally, practical implications for family firm owners and managers are discussed in light of this study's findings.

9.1. Synthesis of the thesis and response to research questions

This thesis was driven by problematising (Alvesson & Sandberg, 2011) blurred governance relationships in family firms, whereby I argued that family values imposed upon organisational members were liable to affect their capacity to exercise moral agency. The question of individual moral agency in family firms is significant given the overwhelming presence of family firms in the world and therefore their capacity to shape the experiences and the sense of agency of millions of human beings who work within them (Villalonga et al., 2015). Yet, despite the ethical implications of blurred governance, family business ethics research remains underdeveloped (O'Boyle et al., 2010; Sharma & Sharma, 2011; Spence, 2014; Vazquez, 2018). In response, this study turned to accounts of moral agency within the broader organisational research domain, and found that varying philosophical and psychological positions prevailed, specifically, those of MacIntyre (1999) and Bandura (1986, 1991, 2001, 2012), respectively. However, for the purposes of this study, it was argued that such extant accounts could benefit from a deeper sociological examination predicated more explicitly on the social situatedness of (moral) agency within (organisational) structures. As a result, this thesis recast the problem of blurred governance and individual moral agency through an Archerian critical realist lens (Archer, 2003, 2007a), which supplied the ontological grounding and conceptual tools to analyse structure and agency as distinct yet interacting phenomena.

Following Archer's (Archer, 2003, 2007a) explanatory framework of how the causal powers of structure are mediated by agency, this thesis undertook the following: (1) it drew on the concepts of structural and cultural emergent properties (Archer, 2003; Porpora, 1989) to illustrate how blurred governance shaped the socio-cultural context in which organisational members operated; (2) it adopted the notion of agency as a personal emergent property that reflexively mediates the influence of structure upon human subjects as they pursue deliberate courses of action in the form of 'projects' (Archer, 2003); (3) it construed *moral agency* as an agentic project expressive of individuals' moral concerns that is amenable to structural enablements and constraints; and (4) it proposed that individuals' sense of enabled and constrained moral agency derives from their reflexive interpretations about the success or failure of their agentic projects to appease their moral concerns. In adopting this Archerian approach, then, this study maintained that it is the *interaction* of structural, cultural, and personal emergent properties – in the crucible of agentic projects

deployed by individuals to cater to their moral concerns – that renders individuals feeling enabled and constrained when seeking to address their moral concerns.

By documenting, analysing, and explaining the effects of family involvement on organisational members at TechCorp, I addressed the central research question: *How do blurred governance relationships enable and constrain individual moral agency in family firms?* The intensive critical realist case study design (Ackroyd & Karlsson, 2014) employed to address this question enabled me to focus on individuals' subjective experiences of enablement and constraint as they attempted to pursue ethical practice within a socio-cultural context heavily influenced by family values.

In analysing the case from an Archerian critical realist standpoint, this study explicated *how* blurred governance gives rise to structural and cultural emergent properties reflective of family values that impinge upon organisational members. It found that individuals operating within socio-cultural contexts informed by structural and cultural properties deploy different agentic 'projects' to address their moral concerns, and thus exercise moral agency. Agentic projects were found to be enabled and constrained to the extent that individuals reflexively interpreted their moral concerns as appeased or frustrated when interacting with organisational structures. Therefore, the key finding of this study is that blurred governance relationships impact moral agency indirectly through structural and cultural properties that emerge as family members become involved in a firm, and which facilitate and obstruct agentic projects under diverse contingencies.

This thesis considered two research sub-questions in addressing the central research question. The first research sub-question (*how do blurred governance relationships and individual moral agency manifest in a family firm?*) focussed on mobilising empirical material to inform subsequent critical realist data analysis based on abduction and retroduction (O'Mahoney & Vincent, 2014). The research findings suggested that blurred governance relationships manifested in terms of family involvement at the governance, executive, and operational levels of the firm (see chapters 5 and 7). These instances of family involvement served to embed family values in the firm by shaping the socio-cultural contexts in which organisational members operated. With respect to individual moral agency, this study found that organisational members sought to address their moral concerns by pursuing analytically distinct, but overlapping, strategies of deferring, voicing, and challenging (see chapters 6 and 7). Individuals' sense of enablement and constraint hinged on the meanings they ascribed their actions (Wilcox, 2012), which itself was subject to my own and thus fallible interpretation (Archer, 2003).

The second research sub-question (*what are the mechanisms whereby, and conditions under which, blurred governance relationships affect individual moral agency?*) was addressed by exploring the contingencies affecting the generative powers of structural and cultural emergent properties as they impinged upon individuals (see chapter 8; Archer, 1995). Different generative mechanisms came into play depending on the types of agentic projects deployed by individuals to appease their moral concerns: mediational projects were associated with self-identification; dialogical with interpersonal reflection; and aspirational with social reinforcement. Blurred governance led to experiences of enablement and constraint as family involvement in the firm shaped prevailing structural and cultural circumstances. Thus mediating individuals felt a sense of enabled moral agency when their self-identification with a family or firm was supported by a corresponding perception of the latter's behaviour. Individuals engaging in dialogical projects, in turn, found space to exercise moral agency when interpersonal reflection was based on shared values. Finally, individuals seeking to change their socio-cultural environment interpreted their aspirational projects as successful in addressing their moral concerns when social reinforcement was tempered by mutual accountability.

9.2. Statement of contributions to knowledge

This thesis makes a number of theoretical contributions to the family business ethics literature and critical realist organisational research. From an empirical and methodological perspective, it also advances research on family business governance and individual moral agency in organisational settings. These contributions are outlined below.

9.2.1. Family business ethics

This thesis advances the family business ethics literature by applying an Archerian critical realist lens (Archer, 2003, 2007a) to explicate the effects of blurred governance relationships upon individual moral agency in family firms. Specifically, it provides a critical realist understanding of how a “spectrum of agentic possibilities” (Wilcox, 2016, p. 270) may emerge as family members become involved in the firm and as organisational members endeavour to address their moral concerns. There are three main ways in which this study develops and extends the notion of a spectrum of moral agency in family firms, namely, by: (1) postulating how blurred governance shapes the socio-cultural context in which

individuals operate; (2) identifying three distinct types of agentic projects deployed by individuals to address their moral concerns; and (3) proposing how each agentic project is amenable to result in the reproduction or transformation of the socio-cultural contexts within which they are embedded. The significance of these points to family business ethics research are reviewed below.

First, this thesis elucidates how blurred governance relationships – through family involvement in governance and management – can give rise to structural (Porpora, 1989) and cultural (Archer, 2003) emergent properties that impose family values upon organisational members. While structural properties emerge as blurred governance drives prevailing human interactions among organisational positions (Porpora, 1989), cultural properties arise as blurred governance moulds logical relationships among ideational objects (Archer, 1995, 2003), both of which condition individuals' thought and action patterns. Hence blurred governance generates ontologically distinct elements of organisational structure, in the form of structural and cultural emergent properties, that together shape the socio-cultural context of the firm according to family values. This insight supplies family business ethicists with an analytical framework whose ontological depth (Al-Amoudi & O'Mahoney, 2015; Al-Amoudi & Willmott, 2011) enables a critical examination of how blurred governance impacts the working lives of organisational members in family firms. This implies that blurred governance should not be construed as an amoral phenomenon; but rather as one portending significant ethical implications for individuals whose circumstances are shaped by structural and cultural properties emergent from it. Therefore, family business ethicists may employ the critical realist formulation of structure developed in this thesis to explain how blurred governance imposes family values upon the individual moral subject.

Second, this research develops a spectrum of moral agency by unpacking three agentic project categories that differ according to varying levels of critical engagement individuals assume *vis-à-vis* their circumstances (Wilcox, 2016). At the relatively 'uncritical' end of the agentic spectrum, organisational members contented with their surroundings deploy *mediational projects* to defer to external agents, like a family or a firm, the prerogative of addressing their moral concerns. In a more active form of critical engagement, organisational members pursue *dialogical projects* to share their moral concerns about prevailing conditions with others. Finally, at the 'critical' extreme of the spectrum, organisational members dissatisfied with the *status quo* address their moral concerns by engaging in *aspirational projects* geared at challenging and changing the socio-cultural

contexts they confront. In postulating these three types of agentic projects, this thesis clarifies how individuals may seek to exercise moral agency when faced with impinging structural and cultural influences emergent from blurred governance. Agentic projects may therefore be construed as engendering particular types of ‘methods’ that organisational members deploy to appease their moral concerns and pursue ethical practice in family firms. Family business scholars examining ethical behaviour in family firms may draw from the notion of agentic projects to further explicate factors that influence the development and deployment of these methods and their subsequent effects in family firms.

Third, this study clarifies the extent to which mediational, dialogical, and aspirational agentic projects are likely to ensue in the reproduction or transformation of the socio-cultural contexts within which they are deployed. Since the potential for transformation is directly related to an individual’s level of critical engagement (Wilcox, 2016), mediational projects are held to entail limited transformative potential. Dialogical and aspirational projects, in turn, are construed as having medium and high transformative potential, respectively. These postulations may help explain why family firms may change, or fail to change, as a result of individuals’ pursuit ethical practice; whereas change occurs by transforming the structural and cultural contexts in which agentic projects are embedded, stability results from socio-cultural reproduction. Relatedly, this thesis’ proposition that different agentic projects have distinct socio-cultural transformative potentials may be used to explore questions of institutional entrepreneurship in family firms. Indeed, given the critical realist framing of agency, culture, and structure as ontologically distinct elements of social reality (Archer, 1995), issues associated with the ‘paradox of embedded agency’ in family firms may also be reassessed (Delbridge & Edwards, 2013).

9.2.2. Critical realist organisational research

This study develops critical realist organisational research by postulating the generative mechanisms associated with blurred governance that enable and constrain agentic projects, and thus individual moral agency, in family firms. In doing so, this thesis extends Wilcox’s (2012) critical realist work on individual moral agency as follows, by: (1) establishing the relationship between generative mechanisms and the different types of agentic projects identified in this thesis; and (2) proposing the contextual conditions under which generative mechanisms may lead to experiences of *both* enablement *and* constraint as individuals

attempt to address their moral concerns. Each of these contributions portends its own significance to critical realist organisational research, as outlined below.

First, this thesis corroborates Wilcox's (2012) proposed list of generative mechanisms that enable individual moral agency, namely, (1) self-identification with values and norms; (2) interpersonal reflection; and (3) social reinforcement of values and norms. However, the present work posits that these generative mechanisms do not equally apply to all individuals pursuing ethical practice in organisations; rather, the activation of particular generative mechanisms is contingent upon *how* individuals exercise moral agency, that is, upon the type of *agentic projects* they deploy. Thus self-identification *qua* generative mechanism is primarily associated with mediational projects, whereby individuals identify themselves with a family or firm as a means to address their moral concerns. Similarly, the generative mechanism of interpersonal reflection is triggered when individuals carry out dialogical projects as they share their concerns with others. Finally, social reinforcement acts as an enabling generative mechanism when individuals pursue aspirational projects to enact change in their environment. The realisation that generative mechanisms do not operate indiscriminately in relation to anyone seeking to exercise moral agency provides greater clarity around how mechanisms behave *based on* the behaviour of agents themselves – through the projects they deploy. Critical realist scholars in organisational research may thus opt to examine generative mechanisms *as they relate to* different kinds of agentic projects, rather than viewing mechanisms as reified structures unconnected to the doings of agents. Indeed, this insight brings scholars closer to an Archerian critical realist account, for “it always depends upon the *nature of the projects* advanced by agents whether or not constraints and enablements are activated or remain unexercised” (Archer, 2003, p. 206, emphasis added).

Second, the present research further nuances Wilcox's (2012) critical realist study by maintaining that self-identification, interpersonal reflection, and social reinforcement *qua* generative mechanisms not only *enable* moral agency, but also *disable* it, depending on prevailing conditions. Consequently, while self-identification results in experiences of enabled moral agency when there is congruency between individuals' moral concerns and family or firm behaviour, it generates a sense of disablement when such congruency is lacking. Likewise, interpersonal reflection is associated with experiences of enablement when there is convergence of values among interlocutors, but not so when values diverge. Social reinforcement, in turn, leads to a sense of enablement under conditions of mutual accountability, but to that of disablement under conditions of asymmetric accountability.

Thus critical realist organisational scholars ought not to construe these generative mechanisms in absolute benevolent terms by viewing them as always enabling of moral agency, as alluded by Wilcox (2012). On the contrary, greater nuance would suggest that self-identification, interpersonal reflection, and social reinforcement are apt to both enable and constrain individual moral agency, based on the socio-cultural contexts in which particular types of agentic projects are deployed. A potentially more fruitful approach to studying generative mechanisms in organisations is to interrogate enabling and constraining *conditions*, rather than enquiring whether or not a particular *generative mechanism* enables or constrains agentic projects.

9.2.3. Empirical and methodological contributions

Beyond contributing to family business ethics and critical realist studies, this thesis empirically advances the fields of family business governance and organisational research on individual moral agency. Moreover, this research offers a critical realist methodological alternative to the study of family business governance and individual moral agency, which have been traditionally examined from quantitative approaches that often eschew in-depth analyses of processual, behavioural, and situational factors. This thesis' empirical and methodological contributions are articulated below.

Empirically, access to data on privately-held family firms, especially at the governance level, is notoriously challenging (Bammens et al., 2011; Leblanc & Schwartz, 2007; Pettigrew, 1992). This research develops invaluable data on the behaviour of family owners, board members, executives, and staff, to lend fresh insight into the nature and effects of blurred governance relationships. With a focus on ethical implications of blurred governance, this thesis clarified how family involvement at the governance, executive, and operational levels may embed family values in a firm (Sorenson, 2014). Empirical material also assisted me to open up the 'black box' of family dynamics at the higher echelons of a firm (Uhlener, Wright, et al., 2007), thereby answering calls to examine *actual* behaviours of family members, such as debating and questioning, rather than reducing such behaviours to mediating variables in input-output models of governance phenomena (Bammens et al., 2011; Finkelstein & Mooney, 2003).

From an individual moral agency perspective, this thesis helps address the dearth of empirical studies that consider how individual moral agency is enabled and constrained in organisational settings (Wilcox, 2012, 2016). This lack of empirical work applies to both

social cognitive and MacIntyrean accounts of moral agency in organisations. In relation to social cognitive perspectives, by exploring how socio-cultural conditions may lead to a sense of enablement and constraint, this research responds to calls for greater appreciation of situational, as opposed to dispositional, factors that affect individual moral agency (Moore, 2015). This thesis also elucidates how individuals may attempt to keep *morally engaged* in the workplace by adopting different types of agentic projects. Although these positive manifestations of moral agency had been anticipated by Bandura (2001) when discussing moral agency in its inhibitive and proactive forms, empirical examination of such phenomena has not been so forthcoming in the business ethics literature (Newman et al., 2019). With respect to MacIntyrean approaches to individual moral agency, the empirical work developed in this thesis lends a fresh impulse to a field typically dominated by conceptual papers (Ferrero & Sison, 2014). Empirical insight is valuable in terms of nuancing MacIntyrean explications of moral agency; for example, by explaining how MacIntyre's (1999) preconditions for the exercise of moral agency relate to different kinds of agentic projects (see section 8.1).

Methodologically, this thesis is among the first, as far as I am aware, to apply critical realist analysis to the field of family business ethics. The abductive and retroductive inferences (O'Mahoney & Vincent, 2014) adopted in this work meant that data analysis proceeded iteratively from structure to agency, and *vice versa*, cyclically shifting between the organisational and individual levels of analysis. This method of data analysis, deployed in the context of an intensive case study, enabled a thorough examination of the multiple ways in which (organisational) structure may affect (moral) agency.

One implication of this thesis' methodological advancement is to provide an alternative approach to the study of family businesses and individual moral agency, which is typically predicated on quantitative methods (Fletcher, De Massis, & Nordqvist, 2016) (Newman et al., 2019). Although valuable, quantitative insight about phenomena may come at the expense of meaning, potentially leading to uncritical conceptualisations about the object of study (Dey, 1993). Conversely, depth qualitative analyses may enable the critical interrogation of the "contradictions, tensions, paradoxes and dualities in family businesses" (Fletcher et al., 2016, pp. 9-10). When combined with the deep ontological position of critical realism (Al-Amoudi & O'Mahoney, 2015; Al-Amoudi & Willmott, 2011), qualitative methods are apt to elucidate the relational, processual, and contextual nature of phenomena, thereby complementing quantitative insights into family firms.

9.3. Limitations

This study, like any research undertaking, contains several limitations. The first set of limitations pertains to data collection. The intensive case study approach employed in this thesis provided grounds for the uncovering of generative mechanisms (Ackroyd & Karlsson, 2014), but it also restricted the range and diversity of empirical material developed during the fieldwork. Predicated on a ‘sample of one’, this research design did not capture all possible permutations of blurred governance and individual moral agency in family firms. Indeed, given the unique characteristics of the case organisation (Eriksson & Kovalainen, 2008), the findings of this research are not necessarily generalisable in terms of statistical generalisation; rather, they offer analytical generalisability based on their connection to theory (Yin, 2014) or, from a critical realist perspective, generalisations about mechanisms (Ackroyd, 2004).

Further, although data collection took place across numerous months (see chapter 4), this study did not cover a large enough passage of time to enable an assessment of the *mutual* interplay of structure and agency (Archer, 1995). Consequently, this research reports only on how blurred governance affects moral agency, but not *vice-versa*. This also means that an empirical account of socio-cultural transformation or reproduction, held to take place *over time* as a result of agentic doings (Archer, 1995, 2003, 2007a), is lacking. Yet, given the interest of this thesis in exploring how blurred governance enables and constrains individual moral agency, this account has its purpose in terms of responding to the research questions, also setting the scene for complementary analyses into the effects of agency on structure in family firms.

In addition, given this study’s *a priori* focus on two conceptually distinct phenomena, that of blurred governance and individual moral agency, the focus of data collection was different depending upon whether participants included family or non-family organisational members, which impacted subsequent analyses. Whereas data on *family members* centred on how they became involved in the firm, data on *non-family members* reflected how they experienced the enabling and constraining effects of family involvement. As a result, data on individual moral agency apply primarily to non-family members, being silent on how family members felt enabled and constrained as they became involved in the firm. This dichotomy between family and non-family members draws attention to the challenges of investigating governance as a fundamentally *blurred* phenomenon in family firms, which stymies efforts to clearly distinguish among interacting positions.

Data collection may also have been affected by the prospect of participants, especially family members, playing to the researcher's expectations around religious values and their importance to TechCorp. Because of the researcher's role as an 'insider' to the Bahá'í Faith and 'outsider' to the firm, there may have been strong drivers for participants to produce socially desirable responses that overstate the role of faith-based values in governance and decision making. Yet, as the Google Memo episode (chapter 7) suggested, the family's values are far from being universally accepted at TechCorp, which raises questions as to their purportedly unifying role. Despite such a limitation, the researcher strove to present a balanced perspective on the issue of Baha'í-inspired values and their effects on individual moral agency.

The second set of limitations relates to data analysis. Individuals' reflexive deliberations about their circumstances are necessarily subjective and therefore "can only be known *indirectly* by others, through fallible interpretation" (Archer, 2003, p. 51). Consequently, the observations and inferences about individuals' moral concerns presented here are necessarily partial, reflecting my own provisional interpretation of events as they unfolded. Similarly, my analyses focussed on subjective experiences on enablement and constraint, as opposed to enablement and constraint of which one is unaware, potentially foreclosing a more critical incursion into subversive means of manipulation and control that might be taking place at TechCorp. This also implies that this study does not necessarily cover all types of agentic project potentially available to individuals in family firms. Rather, it supplies a first step toward unpacking the characteristics of an agentic spectrum (Wilcox, 2016).

Likewise, the overarching research question, namely – *how do blurred governance relationships enable and constrain individual moral agency in family firms?* – focussed retroductive analyses on those generative mechanisms directly associated with family involvement in the firm. Other generative mechanisms that may have played a role in enabling and constraining individual moral agency, but were not connected to blurred governance, were excluded from the data analysis. For example, potentially significant intra- and extra-organisational generative mechanisms, such as digital communication technologies (e.g., Slack) and capitalist-based logics, respectively, did not feature as influencing individuals' experiences of moral agency. This research does not purport to capture all generative mechanisms by which blurred governance influences moral agency; instead, it reports on mechanisms deemed relevant for the types of agentic projects that emerged from the empirical work.

This thesis' emphasis on the effects of blurred governance on moral agency also implied that particular surrounding conditions, under which mechanisms operated, were made more salient than others in explaining why individuals may have felt enabled and constrained at any one time. While this study discussed the enabling and constraining conditions germane to each generative mechanism (see subsection 8.2.2), it may not have addressed other contingencies or countervailing forces that could have affected the exercise of individual moral agency (Sayer, 2010). Relatedly, while a critical realist perspective encourages researchers to remain attentive to wider social mechanisms (Ackroyd, 2004), it was beyond the scope of this thesis to investigate their potential effects in the case organisation.

9.4. Future research directions

This thesis sought to unpack the nexus of blurred governance and individual moral agency in family firms based on the critical realist ontic differentiation of structure and agency. Consequently, it put forward generative mechanisms that accounted for the enabling and constraining effects of (organisational) structure wrought by blurred governance on (moral) agency. Further work could explore these mechanisms in light of discipline-specific theoretical approaches employed in family business governance research, such as agency theory (Eisenhardt, 1989; Jensen & Meckling, 1976), stewardship theory (Davis et al., 1997; Donaldson & Davis, 1991), and social capital theory (Nahapiet & Ghoshal, 1998). For example, this thesis' finding that social reinforcement *qua* generative mechanism facilitates aspirational projects under conditions of mutual accountability may have implications for agency theorists, who call for monitoring structures to keep behaviour in check (Combs et al., 2010). Likewise, the finding that individuals experience a sense of enabled moral agency when deferring to a family or firm may parallel stewardship-based considerations around individuals' motivations for collectivist and pro-organisational behaviour (Davis et al., 1997). Finally, the finding that dialogical projects flourish when interpersonal reflection is characterised by shared values may invoke the role of social capital within human relationships for the pursuit of ethical practice (Mustakallio et al., 2002). Hence agency, stewardship, and social capital theorists may draw from the present research to explore family business governance from a social situatedness perspective.

Additionally, the multi-faceted nature of family involvement unpacked in this thesis indicates that contractual, collaborative, and relational governance arrangements can

potentially coexist in a family firm (e.g., James et al., 2017; Jaskiewicz & Klein, 2007; Madison et al., 2016; Madison et al., 2017). Given that these governance arrangements are traditionally predicated on agency theory, stewardship theory, and social capital theory, respectively, future researchers could examine how these different theoretical approaches relate to each other to explain the effects of blurred governance on individuals' thoughts and actions.

As part of a broader empirical agenda, further research could investigate how different contextual conditions in family firms influence organisational members' experience of moral agency. Second- or third-generation family firms, for example, have unique governance arrangements (Carney, 2005; Dawson & Parada, 2019; Lubatkin, Schulze, Ling, & Dino, 2005; Nordqvist, Sharma, & Chirico, 2014; Schulze, Lubatkin, & Dino, 2003), which may give rise to particular cultural and structural emergent properties that impinge upon individual moral agency. Similar effects may obtain as family involvement in governance and management shifts with firm size and maturity (Nordqvist et al., 2014), as well as industry type. The examination of varying family firm contexts may also uncover novel or cross-cultural variables that affect the behaviour of generative mechanisms, or detect other mechanisms not made salient in this thesis. Indeed, while this thesis discussed organisational mechanisms in relatively abstract terms, some of which could apply to a variety of human organisations, future studies could interrogate those mechanisms that are unique to family businesses, and that render them distinctive from non-family firms.

Moreover, the agentic spectrum developed in this research could be further elaborated and scrutinised. Future scholars could explore in greater detail converging and contrasting characteristics of agentic projects, as well as identify other expressions of moral agency, within the agentic spectrum. For example, there may well be more "radical forms of agency" than those documented in this thesis (Wilcox, 2012, p. 93), which may indicate a fourth kind of agentic project, more critical than aspirational projects. MacIntyrean and social cognitive formulations of individual moral agency may prove useful in developing the line of reasoning employed in this thesis. Alternative accounts of individual moral agency may be adopted (e.g., see Thomson and Jones (2017), for a recent but brief review of moral agency in business ethics research). A useful technique in seeking alternate accounts can be supplied through the analytical approach of *contrast explanation* (Lawson, 2009), which aims to explain 'why so and not otherwise' by comparing differences between an observation and something that was expected. Relatedly, individuals' experiences of moral agency that do not fit the general framework of the agentic spectrum proposed here, as well as the

corresponding enabling and constraining mechanisms and conditions, should also be investigated.

Finally, in exploring how family values in general impinge upon moral agency, this thesis did not concern itself with theorising about the potentially unique relationship that might obtain between *certain kinds of values*, such as religious values, and organisational members' experiences. Nor was it within the scope of this thesis to explore the specific attributes of Bahá'í values, as potentially distinct from other faith-based values, in driving the family's behaviour within the case organisation. Yet, given the recent interest in examining the role of religious and spiritual values in family firms (Astrachan et al., 2020), future researchers could explore the particular effects of a family's religious values on individual moral agency, as well as study the relatively unknown characteristics of Bahá'í religious values in shaping behaviour in family firms.

9.5. Practical implications

The findings of this study present a number of practical implications for business ethics management in family firms. These implications relate to the sense of enablement and constraint family firm employees may experience when prompted to appease their moral concerns. This section addresses family firm owners and managers who are positioned to influence employees' sense of moral agency through their involvement in governance and management. In doing so, it alerts owners and managers to some of the tensions that may lead to the enabling and constraining of individual moral agency.

The first practical implication stems from the realisation that family firm employees often come to identify themselves with the values expounded by family firm owners and managers. This means that employees' sense of moral agency is amenable to be deeply connected to perceived and/or actual family or firm behaviour. In order to motivate and sustain employees' sense of agency, family firm owners and managers may embed a uniform set of values in the fabric of the firm and consistently reinforce their relevance in guiding firm and individual behaviour. For instance, values may be codified in such a way as to be easily referred to by employees. Such values can be explicitly communicated to both prospective and existing employees; thus, while recruitment and onboarding processes may emphasise the significance of values to the former, training and development programmes may keep them top-of-mind for the latter.

Family owners and managers may deploy other methods to ensure that values remain an important part of the firm. At the strategic decision-making level, family owners may redirect firm resources to pursue projects with social impact aligned to family or firm values. This may entail, for instance, establishing a charitable foundation associated with the firm in which firm employees can participate in multiple capacities, such as by becoming its directors. Relatedly, family owners and managers may set up board-management arrangements predicated on values, which may translate into a strategy of 'optimising for values' rather than 'optimising for shareholder value'. This values imperative may also be embedded in formal employee performance review processes, whereby 'performance' is defined not only in economic terms, but also in moral ones.

However, family owners and managers ought to beware that socialising employees into values may have adverse consequences if certain social expectations are violated. Specifically, employees' sense of agency is liable to erode if they detect incongruence or inconsistency between espoused values and family or firm behaviour. Family owners and managers may find themselves under considerable social pressure to continuously uphold the behavioural standards they profess. This implies that not only should family owners and managers strive to consistently behave according to values, but also intervene in other people's behaviour when *they* are seen to transgress values. Since it is unlikely that such social expectations are always met, family owners and managers must be able to manage the repercussions of the inevitable shortcomings in their own behaviour.

Additionally, family owners and managers should recognise that values are subject to change over time as family firms mature and grow in size. But it is also important that family firms retain their 'essence' and not completely discard their values with every ephemeral social fad. Family owners and managers need to strike a delicate balance by adapting to the spirit of the age, while at the same time safeguarding those values which can contribute to their ongoing success.

The second practical implication relates to the possibility that family firm employees may wish to exercise their moral agency by articulating their concerns to others. To facilitate this form of agency, family owners and managers may institute specially designated routines for collective reflection in which employees feel psychologically safe to share their concerns. Owners and managers can promote psychological safety by stimulating employees to refer to firm, or otherwise collective, values, to ensure that interlocutors are drawing on supposedly common set of parameters when putting forward their thoughts.

Nonetheless, family owners and managers should not make the unrealistic assumption that that firm or family values are collectively shared by all employees. Divergence of values between employees may surface when they attempt to share their thoughts on particularly contentious issues, such as diversity and inclusion. This divergence of values may dampen employees' sense of moral agency by silencing certain voices and creating antagonistic groups. To address value discrepancies among employees, owners and managers should not too forcibly impose a predefined set of granular values, which may dampen diversity of thought; rather, they should establish broad principles of social interaction to foster unity in diversity, instead of unity in uniformity. Further, debate on potentially controversial issues should be carried out in controlled fora with clear parameters for exchange of thought, rather than in free-for-all discussions, which are liable to get heated and undermine individual moral agency. As with the first practical implication, then, family owners and managers must navigate the tension between over-prescribing and under-prescribing expected standards of behaviour.

The third practical implication draws from this study's findings that family firm employees may exercise moral agency by actively seeking to change their surroundings based on values. Since change and adaptation are critical for surviving and thriving in a Western capitalist world, family owners and managers should encourage change propositions to arise from within, especially when change is being advocated on moral grounds. This might be accomplished by motivating employees to challenge and hold each other to account for potential violations of values. This strategy of informal social regulation might be more cost-effective than imposing formal systems of monitoring and control.

Yet, for informal systems of social regulation to work, employees must willingly submit themselves to the challenge of others, and agree to change their behaviour according to prevailing collective values. Family owners and managers must set the example and expose themselves to being challenged and demonstrably change their decisions when legitimately found to overstep the values line. Importantly, this also means that owners and managers ought to openly listen to challenges levelled against the *values themselves*; for, it might be the case that the values are unclear or otherwise no longer relevant.

As such, this study calls on family owners and managers to consciously direct their involvement in a firm's governance and management to promote a sense of moral agency among employees. Family involvement is a dynamic and powerful lever that can drastically shape how employees pursue and experience ethical practice in family firms. How families handle this lever may be key to family firms that do well by doing good.

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Appendices

Appendix A – Copies of correspondence with TechCorp



MONASH University

EXPLANATORY STATEMENT

Project: A Study on Corporate Governance and Moral Agency

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You are invited to take part in a study which seeks to understand how individuals exercise their moral agency when interacting with corporate governance mechanisms. This explanatory statement will provide an overview of some questions which participants may have about the study. If you would like further information regarding any aspect of this project, please do not hesitate to contact the researchers via the phone numbers or email addresses listed above.

What does the research involve?

- The aim of this study is to examine the relationship between corporate governance and moral agency.
- The research will be conducted in such a way as to minimize interference in daily operations. The researchers will work according to the agenda and prior commitments of all participants.
- You can take part in the study by doing any (or more) of the following:
 - Participating in interviews (usually between 60-90 mins for the first interview).
 - Allowing the researchers to accompany you (shadowing) in your day-to-day activities.
 - Allowing the researchers to sit in or participate in meetings, discussions, and other activities.

Why were you chosen for this research?

You were chosen to participate in this study because your area interacts with corporate governance mechanisms (e.g. reporting, training, control activities). This means that you are aptly positioned to share your experiences around your engagement with these mechanisms, enabling the researchers to explore its effects on moral agency.

Consenting to participate in the project and withdrawing from the research

The consent process to participate in the study may take place either verbally or by signing and returning the consent form. All data collected may be used in this study. You are free to withdraw from further involvement at any stage in the project.

Benefits and challenges

There are many benefits in participating:

- Expand your learning about the workings of your own governance mechanisms, and the effects they have on you and your team.
- Have access to an outsider's perception about your corporate governance system.

- Serve the wider community by providing new insights into how companies could better design their governance mechanisms in line with ethical principles.
- Contribute directly to the generation of knowledge by allowing the academic community to deepen their understanding of the role of corporate governance in giving rise to empowered moral agents.

Any involvement in research entails challenges and these should be made clear. They include being prepared to engage in self-reflection concerning moral issues, and allowing enough time for the researchers to fully explore the issues. That said, the researchers are fully committed to make this experience as enjoyable and enriching as possible, minimising any potential discomfort you may feel in addressing these issues with an attitude of openness and humble learning.

Anonymity

All data used in this study will be fully anonymised. The organisation and participants will be de-identified so that their names and other particulars cannot be traced. De-identification techniques include the use of pseudonyms and codes to mark the data.

Storage of data

Data will be backed-up on a Monash University secure network drive under password protection, accessible only through the Monash Network, and protected by Monash ICT policies, as well as network security arrangements. Data will be deleted after the recommended minimum period of 5 years from the completion of the project.

Use of data for publication purposes

The anonymised results of this study may be published in the form of a thesis, journal articles, book chapters, and conference presentations. You may request a copy of accepted papers by contacting the researchers directly. The organisation will receive an anonymised report of the research findings.

Complaints

Should you have any concerns or complaints about the conduct of the project, you are welcome to contact the Executive Officer, Monash University Human Research Ethics (MUHREC):

Executive Officer
Monash University Human Research Ethics Committee (MUHREC)
Room 111, Chancellery Building E,
24 Sports Walk, Clayton Campus
Research Office
Monash University VIC 3800

MUHREC approval number: **10413**

Tel: +61 3 9905 2052 Email: muhrec@monash.edu Fax: +61 3 9905 3831

Thank you,



Professor Gavin Jack (Chief Investigator)



Marcos Tabacow (Researcher)

A Study on Corporate Governance and Moral Empowerment

What is this study about ?

- **We believe** that if individuals become morally empowered, a strong ethical culture can be created
- **We think** that governance has a key role to play in moral empowerment
- **That's why we would like** to study the relationship between governance and moral empowerment

How to take part ?

- Participating in **interviews**
- Having me accompany you in your **day-to-day activities**
- Allowing me to sit in or participate in **meetings, discussions, and other activities**

Join in this study to

- Reflect on important issues
- Think about your own practices
- Contribute to strengthening governance in business
- Have an enjoyable experience in contributing to knowledge!

Interested ?

Please contact me!



Marcos Tabacow
marcos.tabacow@monash.edu

This study has full approval of the **Monash University Ethics Committee** and confidentiality is assured



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Appendix B – Summary of fieldwork events

Date	Hours				Event
	Total	Interviews	Participant observations	Other	
31/5/2017	0.75			0.75	Informal meeting with CEO to discuss PhD project
27/11/2017	1.00			1	Informal meeting with CEO to discuss PhD project
15/12/2017	0.50			0.5	Call with board to discuss PhD project
23/1/2018	1.00	1			Interview with Clara Clarke
31/1/2018	1.18	1.18			Interview with George Clarke
16/2/2018	8.00		8		Board meeting with external consultant
19/2/2018	2.22	1.22	1		Introduction of researcher at All staff meeting Interview with Roger Clarke
20/2/2018	3.50		3.5		Executive Team meeting
21/2/2018	1.00	1			Interview with Adam Miller
22/2/2018	2.00	1		1	Interview with Maria Wood Lunch with Sam Campbell
28/2/2018	3.00	1	2		Executive Team meeting Interview with Ryan White
1/3/2018	1.00	1			Interview with Lisa Myer
5/3/2018	2.00	2			Interview with John Kazinsky Interview with Bill Kelley
6/3/2018	3.50	2	1.5		Executive Team meeting Interview with Jeremy Yass Interview with Jack Edwards
7/3/2018	2.00	1	1		Interview with Sam Campbell Sitting in Agile training session with Sam Campbell
13/3/2018	2.50		2.5		Executive Team meeting
14/3/2018	3.50	3.5			Interview with Larissa Haydn Interview with Luke Tiller Interview with Harry Ingold
16/3/2018	4.25	0.5	3.75		Monthly manager meeting Commercial Business Unit alignment Agile training session Interview with Tyson Williams

Date	Hours				Event
	Total	Interviews	Participant observations	Other	
19/3/2018	2.25	1	0.75	0.5	All staff meeting Impromptu conversations with Oliver Clarke and Oscar Cook Interview with Linda Harrison
20/3/2018	1.50		1.5		Executive Team meeting
23/3/2018	3.10	1	2.1		Creation Business Unit insights Interview with Elizabeth Rawls Meeting Commercial Business Unit
26/3/2018	2.00	2			Interview with Beatrix Evans Interview with Sally Alby
27/3/2018	4.00	1	3		Executive Team meeting Interview with Ava Dinn
28/8/2018	7.00		7		Board meeting with external consultant
3/4/2018	3.67	2		1.67	All staff meeting Executive Team meeting Interview with Robert Jackson Interview with Dorothy Bailey
4/4/2018	1.00	1			First interview with Oliver Clarke
6/4/2018	2.00	1		1	Interview with Betty Wynn Attendance at BBQ
9/4/2018	3.00	1	1	1	Code of conduct information session Interview with Mark Taylor Impromptu conversation with Martha Rye
10/4/2018	3.50	2	1.5		Interview with Chloe Banks Executive Team meeting Interview with Finn Stewart
11/4/2018	4.00	1	3		Employee induction Interview with Michael Hughes
17/4/2018	4.00	1	3		Executive Team meeting Interview with Fred Hills
18/4/2018	2.00	2			Interview with Mirta Flores Interview with Kathy Allerton
20/4/2018	1.00		1		Monthly manager meeting
23/4/2018	4.50	2	2.5		Executive Team meeting Interview with Mia Owen Interview with Oscar Cook
24/4/2018	7.00		7		Board meeting

Date	Hours				Event
	Total	Interviews	Participant observations	Other	
30/4/2018	2.50	2	0.5		All staff meeting Interview with Cindy Rice Interview with Myra Hicks
1/5/2018	1.50		1.5		Executive Team meeting
4/5/2018	2.50		1	1.5	Retro session Impromptu conversation with Martha Rye and Fred Hills after the Retro session
7/5/2018	6.50	1	4	1.5	Board meeting Team planning meeting Impromptu conversation with Hellen Davis Interview with Hellen Davis Training introduction to programming
8/5/2018	2.50	1	1.5		Executive Team meeting Interview with Donald Nguyen
9/5/2018	1.00	1			Second interview with Oliver Clarke
11/5/2018	1.75	1	0.75		Monthly manager meeting Interview with Nora Dalton
14/5/2018	2.83	1	1.83		All staff meeting Multi-team project circle Interview with Dylan Garcia
15/5/2018	0.50		0.50		Bi-weekly team meeting Executive Team meeting
23/5/2018	1.67	1	0.67		Project circle presentation Interview with Howard Jens
29/5/2018	1.00		1		Executive Team meeting
4/6/2018	3.00		3		Board meeting with external consultant
22/6/2018	5.00		5		Board meeting
25/6/2018	6.00		6		Board meeting
1/8/2018	2.00		2		Board meeting with external consultant
21/11/2018	6.00		6		Behavioural workshop
Total	145	42	92	8	-

Appendix C - Semi-structured interview template

INTERVIEW QUESTIONS BOARD MEMBERS

- Can you tell me how you began to be involved with the organisation? And your history with the board?
- How do you see the role of the board?
- How do you see your own role in the board?
- How does the board see its role in engaging with the outside community (e.g., diversity initiatives)? Why did you decide to get involved in it?
- How does the board enact its values in the organisation? Where do they come from?
- What was the most pressing dilemma/challenge the board discussed/faced in the last 12 months?
- During my time with you, what should I focus on?