

# The role of affect in the selection of nonfamily top management team members in family businesses

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## ABSTRACT

Utilizing a qualitative research design based on 53 interviews with 19 Swiss family businesses, supplemented by 14 expert interviews, this study demonstrates that different family firm-specific elements of the process of selecting top management team (TMT) members alter affect infusion in family firms. These are the informal selection context, the involvement of informal advisors, and relationship-related evaluation criteria. The study moreover shows that the context-specific attitude (openness, defensiveness, readiness to delegate) of the family business decision-maker regulates affect infusion. Lastly, the study demonstrates that sabotage in the selection process can occur in high-affect infusion scenarios. Contributions and implications for future research are discussed.

## 1. Introduction

Affect infusion in decision-making processes has been suggested to be a decisive factor in explaining the heterogeneity amongst family businesses, and between family and nonfamily businesses (Gagné et al., 2014; Picone et al., 2021). Situational cues, e.g., emotional events, trigger judgment strategies and behavioral decision-making processes, translate into outcomes for the owner family and the family business (Labaki and D'Allura, 2021). Family involvement in ownership and management (Chua et al., 1999; Kim and Gao, 2013) seems to be of particular importance as, under high levels of managerial discretion, the impact of affect and the resulting affect-infused decision-making are especially strong (Hambrick and Mason, 1984; Li and Tang, 2010). This is especially important when making strategic decisions, such as filling top management positions in family businesses (D'Allura, 2019).

However, open debate continues as to which governance mechanisms regulate the influence of affect on decision processes, and how (Picone et al., 2021). Decision-making processes related to business continuity (Bernhard and Labaki, 2021; Bertschi-Michel et al., 2020; Labaki and Hirigoyen, 2020) and those that influence the mixture of economic and noneconomic goals (Berrone et al., 2010; Gomez-Mejia et al., 2011) are of heightened relevance for family firms and are thus likely to be infused with more affect (Picone et al., 2021; Umans et al., 2020). Indeed, one of the most important strategic decisions concerns the selection of the top management team

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(TMT) (Firk et al., 2021; Hambrick, 2007; Hambrick and Mason, 1984), and this applies particularly to family businesses (Binacci et al., 2016; Migliori et al., 2020; van Doorn et al., 2022). Selecting new TMT members is a considerable challenge for family businesses (Bennedsen et al., 2007; Chang and Shim, 2015; Lee et al., 2003; Miller et al., 2003; Strike et al., 2015). Although family businesses prefer family-internal candidates for important management positions (Calabrò et al., 2018; Chua et al., 2004; Combs et al., 2018; Tabor et al., 2018), there are often limited numbers of willing, committed, and competent family members available (Kellermanns et al., 2008), which obliges family businesses to include nonfamily top managers. However, despite the apparent importance of (and the inherent tensions surrounding) the hiring of nonfamily TMT members (Hiebl and Li, 2020; Tabor et al., 2018), these hiring decisions and processes are not well understood.

Using an explorative qualitative research design based on 53 interviews with 19 Swiss family businesses, combined with 14 expert interviews, this study shows that affect infusion is influenced by family firm-specific characteristics of the decision-making process. Specifically, it finds that family decision-makers make selection decisions in different evaluation settings (business vs. family), utilize different evaluation criteria (family fit vs. job fit), and seek the assistance of different types of advisors (formal vs. family-internal), resulting in different levels (higher vs. lower) of affect infusion. It further reveals that the context-specific attitudes (attitudinal openness, defensiveness, readiness to delegate) of the family business decision-maker can regulate affect infusion. Lastly, it highlights that acts of sabotage can occur in the selection process, in cases where there is a mismatch between affect and cognition.

This study contributes to family business research in several ways. Firstly, it broadens the perspective of the Affect Infusion Model (Forgas, 1995) to family businesses by providing a better understanding of how affect influences the hiring of nonfamily TMT members. Secondly, it extends the literature on affect regulation in strategic decision-making, which has hitherto largely focused on individual affect regulation strategies (Huy and Zott, 2019); in contrast, this study focuses on organizational conditions that affect regulation. Specifically, it spotlights context-specific elements and context-specific attitudes that in turn can affect the selection of nonfamily TMT members, which can lead – under unfortunate circumstances – to the sabotage of both the selection process and selection outcomes. The question is addressed as to how heuristics and biases rooted in family business-specific factors have the potential to impact the strength and influence of affect infusion in decision processes (Labaki and D'Allura, 2021), thereby affecting family business outcomes (see also Picone et al., 2021). Thirdly, this study contributes to the ongoing dialog on family business human resource management (Hoon et al., 2019), particularly with regard to the role of professionalization and the hiring of nonfamily TMT members in family businesses (Tabor et al., 2018; Hiebl and Li, 2020).

## 2. Theoretical background

### 2.1. Nonfamily TMT members in family businesses

The composition of the TMT, and with that the selection of new TMT members, plays a pivotal role in the development of businesses (Hambrick and Mason, 1984). Numerous papers have shown that the characteristics of the TMT shape strategic decisions in family firms with regard to, for example, internationalization (Aldous, 1990; Aldrich and Cliff, 2003; Arregle et al., 2012) and innovation (Kraiczky et al., 2014, 2015). Its influential role is reinforced as the TMT represents the interface between the family and the business, and thus has a significant influence, not only on business performance (D'Allura, 2019) but also on the owner family itself (e.g., Davis and Harveston, 2001; Sonfield and Lussier, 2009).

Owner families often prefer to select family-internal members over non-family members for their TMT; however, the pool of family-internal candidates is limited (Schell et al., 2020). Due to the potential discrepancy between the high demands of management tasks, driven by challenges such as increasing globalization, digitalization, and complexity, and the effective skills of potential successors, family businesses are obliged to hire nonfamily TMT members (Vandekerckhof et al., 2015). Nonfamily top managers can bring the professional knowledge and managerial experience into family businesses required by growth (Kraus et al., 2016). They can also initiate change in the organization and financial management (Banalieva and Eddleston, 2011), and are usually more willing to take risks than family managers, opening up opportunities in terms of innovation management (Strike et al., 2015). Furthermore, diversity – in terms of both tenure and professional background – has a positive impact on company performance (Binacci et al., 2016). On the other hand, if nonfamily top managers are involved, there is a risk that their goals will differ from those of the family, and that agency conflicts will arise (Minichilli et al., 2010). Some papers, thus, suggest that family-dominated TMTs enhance business performance (Binacci et al., 2016).

The selection of non-family TMT members has, therefore, important strategic consequences for owner families. Unfortunately, whilst there is considerable knowledge about the impact TMT members have on important strategic and family internal issues in family firms, a better understanding of the antecedents of TMT composition (i.e. the influencing factors for non-family TMT member selection) is missing. Research indicates that the features of the TMT are closely linked to the characteristics, values, expectations and goals of the family (Schjoedt et al., 2013): beyond this, little is known. In her recent literature review, D'Allura (2019) stated that studying the antecedents of TMT composition is a necessary step that may involve a level of analysis other than the firm level; specifically, she proposed that further analysis of which affectual issues influence the composition of the TMT, and how, merits consideration.

### 2.2. Affect and the Affect Infusion Model

'Affect' has typically been defined as positive and/or negative feelings and emotions that an individual associates with an attitude object (Fabrigar and Petty, 1999). 'Affect', therefore, is an overarching term that can refer to both the intense (e.g., emotions) and mild

(e.g., mood) feelings experienced by a decision-maker (Forgas, 1995; Pham, 2007). Whilst emotions have a clear trigger, are discrete and brief, and constitute relatively strong experiences, moods, on the other hand, are experiences with unknown triggers that are diffuse and weaker, and last longer (Cropanzano et al., 2003; Elfenbein, 2007; Schwarz, 1990; Winterich et al., 2015). These differences determine how decisions are influenced. Because emotions are responses to salient objects, their informational value is often limited to the specific decision-making situation, and less likely to affect subsequent, unrelated decisions (Clore and Gasper, 2000). Conversely, because moods are less focused and less context-bound, they usually exist prior to the decision-making situation, and play an 'advisory role' in subsequent decision-making, unrelated to the source of the affective state (Loewenstein and Lerner, 2003).

Research shows that judgments are usually consistent with the decision-maker's preexisting affective state (Forgas, 1995; Forgas and George, 2001; Schwarz, 1990). Affect exerts pervasive influences on how people form beliefs, make decisions, and act in complex and ambiguous situations (Forgas and George, 2001; George and Jones, 1997). For example, within the field of organizational decision-making, affect has been found to influence decisions about performance (Staw and Barsade, 1993), investment (Kramer and Weber, 2012), risk-taking (Dunegan et al., 1992), and organizational citizenship and problem-solving behavior (Wegge et al., 2006). The influence of affect on judgment has been consistently replicated and shown to be decisive for decisions made by experienced decision-makers in organizational contexts (Dunegan et al., 1992; Kramer and Weber, 2012; Mayer et al., 1992; Netz et al., 2020; Treffers et al., 2020).

The Affect Infusion Model (AIM) (Forgas, 1995) is a comprehensive multiprocess model of judgment that specifies those conditions under which the affect-as-information versus the affect-priming mechanism is most likely to operate. According to the AIM, there are four alternative judgmental strategies: those of low affect infusion (direct access processing, and motivated processing) and those of high affect infusion (heuristic processing, and substantive processing). According to Forgas (1992), which processing strategy is applied depends on the features of the judgmental target, the judge, and the situation. The lower the familiarity and typicality, and the higher the complexity of the judgmental target, the higher the probability of affect infusion. Affect infusion is also expected to be stronger if the personal relevance of the judgment for the judge is high, if no prior motivation is present (Forgas, 1995), and if the judge has sufficient cognitive capacity to engage in substantive processing (Bodenhausen, 1993). Finally, the influence of specific situational features determines whether affect is utilized as an additional information cue in processing or as an affect-priming mechanism. Specifically, the more a situation requires accurate judgment, the more likely substantive processing strategies are to become relative to heuristic processing strategies (Forgas, 1995).

Affect and its influence on judgment and decision-making processes through affect-as-information and affect-priming mechanisms have been suggested to be decisive factors in explaining heterogeneity among family businesses, and between family and nonfamily businesses (Gagné et al., 2014). It is well known in the strategic management and strategic entrepreneurship literature that the psychological attributes of key decision-makers shape their cognitive structures and, consequentially, their strategic decisions (Artinger and Powell, 2016; Cannella et al., 2008; Hiller and Hambrick, 2005; Schwenk, 1988).

It is surprising that, although family businesses are said to be "containers of emotions" (Labaki and D'Allura, 2021), the ways in which affect influences decision-making in family businesses remain to be understood (Picone et al., 2021). In fact, it is "crucial to understand how psychological heuristics appear and develop" as a "preliminary step in considering family business' heterogeneity in strategy formulation and implementation" (Picone et al., 2021, p. 15). Family involvement in ownership and management (Chrisman et al., 2012; Kim and Gao, 2013) seems to be of specific importance, since under high levels of managerial discretion, the impact of affect and, consequently, heuristic decision-making is especially strong (Li and Tang, 2010; Hambrick and Mason, 1984). Chrisman et al. (2016) argued that regulatory conditions shape managerial discretion, which, to the best of the authors' knowledge, has not yet empirically been shown with regard to TMT selection. Accordingly, the following research question is posed: *How does affect infusion influence the selection of nonfamily TMT members in family businesses?*

### 3. Method

To answer the research question, as to how affect influences the way in which family businesses select nonfamily members for their TMTs, a qualitative research approach was adopted, as outlined below. A qualitative research design is suitable not only because this study seeks to answer a question of 'how', but also because there exists little theory on selection processes in family-business research (Reay and Zhang, 2014; Waldkirch, 2020).

#### 3.1. Research design

The authors embarked on answering the research question using a multiple-case study design (Eisenhardt, 1989; De Massis and Kotlar, 2014; Yin, 2015). However, during iterative data collection and analysis, it became apparent that a perspective external to the family businesses involved would be necessary, in order to understand the process of selecting external TMT members and, in particular, to understand the emotions involved in this selection process. It further became clear that it would be important to understand the perspectives of candidates who were *not* selected to be part of a TMT. The authors therefore deviated from the path of a textbook multicase study approach, with the application of what has recently been referred to as 'methodological bricolage' (Pratt et al., 2020), with the method being supplemented with expert interviews (Bogner et al., 2009). To provide a perspective that was as unbiased as possible, interviews were held with experts in selecting nonfamily TMT members for family businesses, who were not involved in the selection processes in the initial case firms, but who had experience of very similar selection situations with similar firms on several occasions. Expert interviews were used to obtain an additional outside view of the process, to supplement information about the selection process, and to triangulate and challenge findings from the case study interviews (Bogner et al., 2009; Gibbert and

Ruigrok, 2010).

### 3.2. Selection of cases and interviewees

For the purposes of this study, the authors selected family businesses from German-speaking Switzerland. Case firms were selected based on the following criteria (Chua et al., 1999). Firstly, all firms needed to be family businesses according to the authors' definition. Based on Chua et al. (1999), a business is defined here as a family business if it met *all* of these criteria: at least 50% of the business is owned by a family, at least one family member is part of the TMT, and a succession is planned/is in progress/has already occurred. Secondly, the family business had to have at least 50 employees, to ensure that there was a TMT with appropriate management competence (Aguinis and Solarino, 2019). Thirdly, at least one person in the TMT had to be a nonfamily member, as interest lay in the

**Table 1**  
Overview of the family firm cases.

No.	Firm code	Industry	<i>n</i> Employees	Generation	Position of interviewee	<i>N</i> Interviews	<i>n</i> TMT members	<i>n</i> Family TMT members
1	C1	Manufacture of furniture	190	2nd	C1-F1 = CEO; C1-NF1 = Member of the Executive Board	2	5	1
2	C2	Wholesale, retail trade, repair of motor vehicles and motorcycles	100	2nd	C2-F1 = CEO; C2-F2 = Member of the Executive Board	2	7	3
3	C3	Specialized construction activities	300	4th	C3-F1 = Chief Security Officer; C3-NF1 = CEO	2	14	1
4	C4	Manufacture of other food products	90	3rd	C4-F1 = COB; C4-NF1 = CEO	2	5	0
5	C5	Manufacture of bakery and farinaceous products	170	4th	C5-F1 = CEO and MOB; C5-NF1 = CPO; C5-NF2 = CHRO	3	3	1
6	C6	Manufacture of construction elements	1'000	3rd	C6-F1 = COB; C6-NF1 = CEO; C6-NF2 = CHRO	3	7	0
7	C7	Transportation and storage	100	3rd	C7-F1 = CHRO; C7-NF1 = CFO	2	3	2
8	C8	Manufacture of textiles	260	4th	C8-F1 = CEO & COB; C8-NF1 = CFO; C8-NF2 = Chief Logistic Officer and CHRO	3	5	1
9	C9	Services to buildings, cleaning activities	6'000	3rd	C9-F1 = COB; C9-NF1 = CEO; C9-NF2 = CSeO	3	11	1
10	C10	Transportation and storage, removal services	300	2nd	C10-F1 = Business Founder; C10-F2 = COB; C10-NF1 = CFO and Chief Administrative Officer	3	8	1
11	C11	Manufacture of beverages	250	2nd	C11-F1 = COB; C11-NF1 = CEO	3	7	0
12	C12	Manufacture of tobacco products	1'700	4th	C12-F1 = COB; C12-NF1 = CEO and CFO	2	6	1
13	C13	Wholesale, retail trade, repair of motor vehicles and motorcycles	20	3rd	C13-F1 = CEO; C13-F2 = MOB; C13-F3 = Accountant; C13-NF1 = CSeO	4	6	3
14	C14	Manufacture of beverages	85	5th	C14-F1 = COB; C14-F2 = CMO and Chief Product Development Officer; C14-NF1 = CSO	3	4	2
15	C15	Specialized construction activities	85	5th	C15-F1 = CEO and MOB; C15-F2 = CSO and MOB; C15-NF1 = Chief Operating Officer	3	12	3
16	C16	Printing and reproduction of recorded media	64	5th	C16-F1 = MOB; C16-NF1 = CMO and CSO; C16-NF2 = CFO and CHRO; C16-NF3 = Chief Production and Technology Officer	4	5	2
17	C17	Manufacture of watches and clocks	150	3rd	C17-F1 = CEO; C17-NF1 = CHRO and CFO; C17-NF2 = Chief Research Officer; C17-NF3 = CSO	4	6	1
18	C18	Manufacture of furniture	160	4th	C18-F1 = CMO; C18-NF1 = Head of Interior Construction; C18-NF2 = Production Manager	3	7	2
19	C19	Manufacture of fabricated metal products	180	4th	C19-F1 = CEO; C19-NF1 = CHRO and CFO	2	4	2
Total						53		

*Note.* No. = case number; CX = case X; FX = family member X; NFX = nonfamily member X; CEO = chief executive officer; COB = chairman of the board; MOB = member of the board; CPO = chief product officer; CHRO = chief human resources officer; CFO = chief financial officer; CSeO = chief service officer; CMO = chief marketing officer; CSO = chief sales officer.

selection of nonfamily TMT members.

A multistep process was followed in order to identify potential case firms. Firstly, suitable firms from the authors' networks were contacted. Secondly, an internet search was conducted, focusing on family businesses that had hired nonfamily TMT members in the last five years. All potential case firms were contacted initially by e-mail with an official cover letter, and this was followed up by a telephone call in a second step. Firms were only retained as part of the sample when at least two key informants agreed to be interviewed. Interviewees were family members who had ownership and/or management functions, members of boards of directors, key employees, and human resource management department members. For all case firms, secondary data was collected via an internet search. This data included board composition and documented relevant industry information. Cases and interviews were added until theoretical saturation was reached, with statements becoming increasingly similar, or adding no new information (Eisenhardt, 1989). This led to a final sample of 53 interviews, nested in 19 case studies. Table 1 provides an overview of the characteristics of the case firms and the interview partners.

To identify suitable candidates for the expert interviews, an internet search was conducted that focused specifically on consulting firms that advertise that they advise family businesses. In addition, all experts were asked to name other experts from this specific field. All potential interviewees were contacted first by e-mail with an official cover letter, and this was followed up by a telephone call in a second step. Interview partners included various types of advisors and executive search experts. For the family business cases, additional interviews were conducted until theoretical saturation was reached, leading to a final sample of 14 expert interviews. Table 2 provides an overview of these expert interviews.

#### 4. Data collection

Data for the study was collected in 2020. Due to the pandemic, some interviews with family business representatives were conducted using video conference software, as were all expert interviews. All interviews were semi-structured, followed an interview guide, and were conducted in two waves. In the first wave, key informants of the case firms were interviewed; in the second wave, family business-external experts, headhunters, and advisors were interviewed.

Interviews with the key informants from the case firms initially introduced the research topic, and then requested a description of the process by which nonfamily TMT members were selected. Sample questions included the following: *Where and how do you look for applicants for positions in the TMT? Who is involved in the process? Who sets the requirements for the applicant, and what do they look like?* Secondly, selection criteria were explored, with questions including the following: *Can you elaborate on an example of how you selected a TMT member?* In addition, the interviews asked how expectations were balanced between the existing TMT, and the owner family and the candidates. Sample questions here included the following: *How are expectations communicated to the potential candidate? How, where, and when is important information shared between you and the applicants?* Each interview concluded with questions about forecasts for the future: for instance, regarding whether the company expected to continue recruiting nonfamily TMT members, and what the perfect TMT would look like from the interviewee's perspective. The length of the interviews varied between 30 and 130 min, averaging 44 min. All interviews were transcribed verbatim.

During the second wave of interviews with family business external experts, a semistructured interview guide was again used. The interview guide was adapted and included questions such as the following: *From your perspective, how do family businesses differ from nonfamily businesses when filling TMT positions? How do you determine the values of the applicant? From your perspective, how is the final decision made in family businesses?* The interviews lasted between 40 and 80 min, averaging 56 min, and all were transcribed verbatim. Table 2 provides an overview of the expert interviews.

**Table 2**  
Overview of the Experts (personnel recruitment; executive search; HRM advisory).

Interviewee code	National/international specialization	Industry/firm specializations
E1	Switzerland, Germany	Family businesses
E2	Switzerland	Family businesses, small and medium-sized enterprises, entrepreneurial families
E3		No specialization
E4		IT, digitalization, consulting, technology, industry, health care, insurance, banking
E5		International corporations, medium-sized enterprises
E6	Germany, Austria, Switzerland	Family businesses, upper middle class, industry
E7		Listed companies, family businesses, small and medium-sized enterprises, venture capital investors, associations, foundations, public sector
E8		Life sciences, medical technology, medicine, biological technology, chemistry, nanotechnology
E9		Consumer goods industry, trade, service sector, medical technology
E10; E11	International	Industry, services
E12	International	Executive search, SMEs
E13	International	No specialization
E14; E15	International	Executive search, family firms, succession

Note. No. = interview number; EX = expert X.

#### 4.1. Data analysis

For the data analysis, a four-step approach was followed. In the first step, two of the authors conducted a within-case analysis. Two authors inductively coded the data, wrote case descriptions (for examples, see Appendix A), and reconstructed the process of selecting

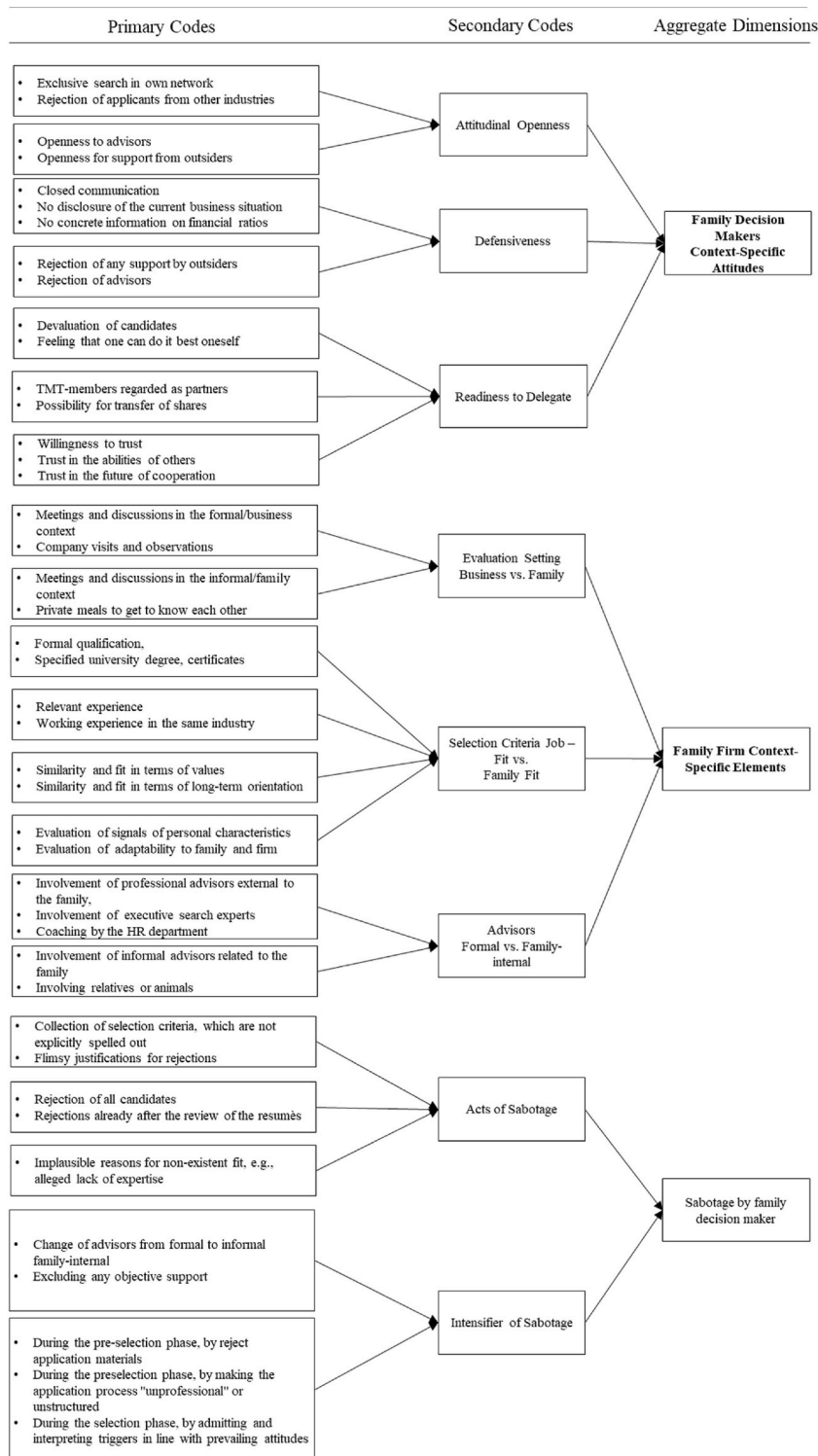


Fig. 1. Data Structure TMT = top management team; HR = human resources.



family external TMT members for all cases. In the second step, the authors extended and deepened the analysis (Reay, 2014) with a special focus on affect (often referred to as ‘gut feeling’), including deductive elements, and moved to a cross-case analysis. During the analysis, the literature was iteratively reviewed (Eisenhardt, 1989; Gehman et al., 2018). In the third step, the expert interviews were added to the analysis. The information obtained was mirrored by coding the interviews with the family business members with the information from the experts (Bogner et al., 2009; Lincoln and Guba, 1990) and the coding scheme was extended. All authors discussed the coding scheme, taking into account affect-infusion theory and the general literature on recruiting and nonfamily TMT members in family businesses. In the final step, the findings were condensed into a data structure of first-order codes, second-order concepts, and overarching themes (Gioia et al., 2013; Strike and Rerup, 2016). Fig. 1 illustrates the data structure. Appendix B shows additional quotes for all categories.

## 5. Findings

Findings on how affect might influence the selection of nonfamily TMT members in family businesses were integrated into the conceptual model illustrated in Fig. 2. Below, the figure is followed by a discussion of the findings, and the development of propositions.

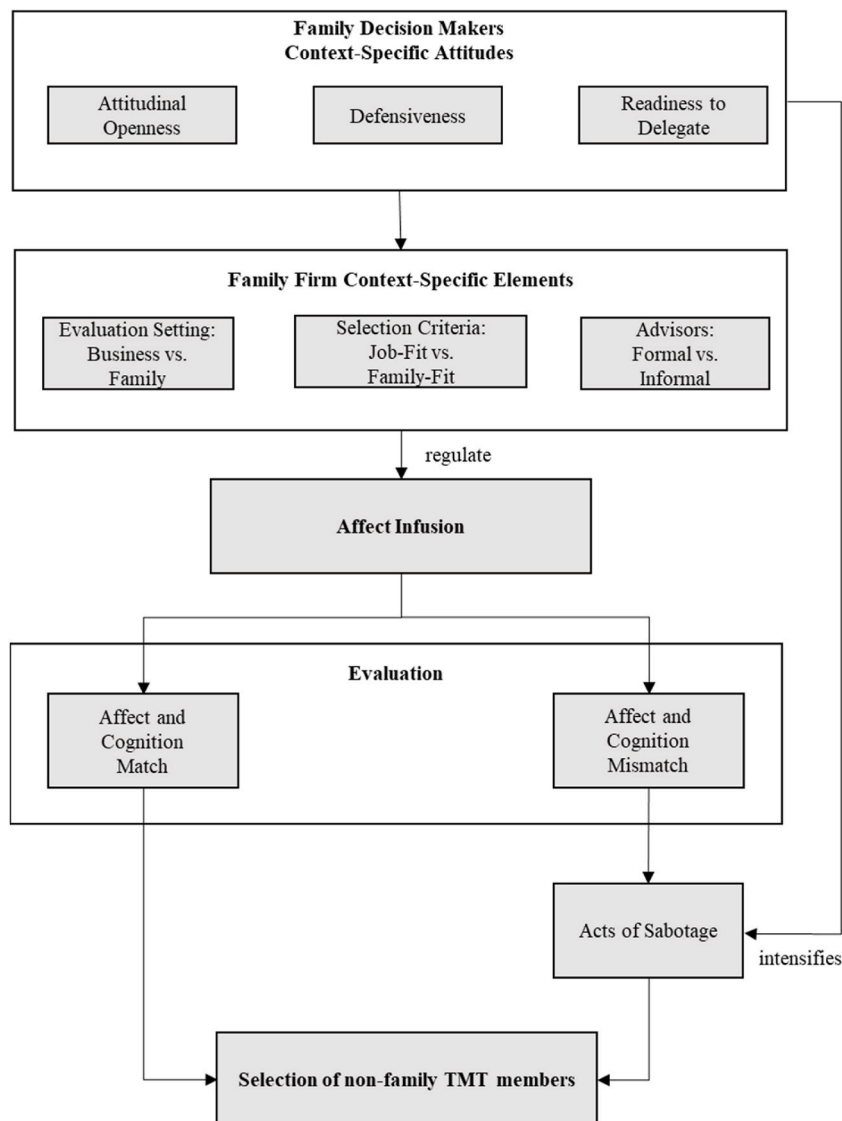


Fig. 2. How affect influences selection outcomes when selecting nonfamily TMT members in family businesses.

### 5.1. Regulation of affect infusion

The process of selecting nonfamily TMT members can typically be broken down into two separate phases: the preselection phase, and the final selection phase. In the preselection phase, the pool of candidates is created, and candidates are screened for their suitability. In the preselection phase, a diverse set of actors (family business decision-makers, formal advisors, and members of the HR department) assesses formal application documents and screen available external information (e.g., social media profiles on LinkedIn and the professional network) to find suitable candidates to be included in the pool of candidates. In the final selection phase, a small number of candidates (often only one) remains, and the ultimate decision as to whether to hire a specific candidate or not is made. Different elements, unique to the family firm context, are found here to shape affect infusion regulation. Below, the evaluation setting, selection criteria and advisors are discussed in more detail.

**Evaluation setting.** The first family firm-unique element to be identified is the setting in which selection takes place. The data shows that in the preselection phase, selection takes place in a formal business setting, defined by choosing business premises as the location, and focusing on formal meetings; in the final selection phase, the selection context shifts to the informal family setting, which is closely linked to the private owner family setting.

At the outset of the process, preselection interviews are often conducted with headhunters at their offices. Depending on the company, company visits are also made (e.g., Case 12). The latter setting often also entails meetings in the home of the owner family, or additional informal gatherings such as restaurant dinners (e.g., Cases 2, 8, and 12; E3 and 15). These different settings allow for different levels of affect infusion. Although obtained within the family setting, the information gathered in these situations nevertheless carries over to the final assessment of the candidate, thus influencing the selection outcome. In the informal setting, and without any external legitimization, affect can more easily shape the decision-making process.

The different interview settings offer a chance for family business decision-makers to encourage a greater openness in the candidate and, thereby, to obtain more intimate information regarding the private environment or characteristics related to family-fit selection criteria of the candidate.

*E5: "At dinner, they discuss different things: family, sports, interests, and so on, right? This is now the fourth conversation. There, you can open up, and there's a decisive moment afterward, when you see the person in an informal setting, right?"*

The possibility of observing and evaluating different selection criteria in the private owner family setting is unique to family businesses; since only family business decision-makers have the freedom to change the setting, affect infusion and the ability to regulate such infusion will likely differ strongly according to the chosen settings. Accordingly, the following is proposed:

**Proposition 1a.** *Including an informal evaluation setting in the selection of nonfamily TMT members is more positively associated with affect infusion than adopting a more formal business evaluation setting, which hinders affect infusion.*

**Selection criteria.** Family business decision-makers apply different types of selection criteria, which change according to the phases of the selection process. Whilst job-fit criteria are assessed predominantly in the preselection phase, family-fit criteria are evaluated in the final selection phase.

Job-fit criteria include formal and – at least to some degree – measurable and objective criteria, such as education and formal qualifications or task-specific criteria. In most cases, these criteria are evaluated on the basis of resumés, social media profiles (e.g., LinkedIn), or information obtained from the network of the business.

*C10–F2: "But, of course, there are already positions like CFO, where you have to have certain diplomas, so you have an idea how to consolidate or balance sheets, and so on."*

Beyond using job-fit criteria, family businesses search for candidates who fulfill family-fit criteria and focus especially on the owner family and family business. In most cases, if candidates do not meet the requirements related to job-fit criteria, they are not included in the pool of candidates evaluated in terms of family-fit criteria (e.g., Cases 5, 6, and 13; E10, 11, and 14). However, in Case 5, for example, family business decision-makers also argue that there are few available people for the posts that need to be filled, and job fit is not as crucial as family fit:

*C5–F1 "The market is really very small for people who fit. That's why we can't say that we have a catalog of requirements and that has to be fulfilled for us to hire a person. It also depends on their potential [which is] much more important than the rucksack they bring with them. We need a certain rucksack, but it doesn't have to be full: it has to be that the person fits us; so, the personality that the person brings along."*

The evaluation of family-fit criteria seems to be more strongly influenced by subjective perceptions than the evaluation of job-fit criteria, allowing for more affect infusion in the selection process. Examples from the data show that, for instance, the communication behavior, emotional expressions, or outward appearance of the candidate are not objectively observed or, if irrelevant to the position, ignored, while decisions are guided rather by a 'gut feeling' (65 mentions in the analyzed interviews), leading to a more pronounced possibility of affect influencing the decision-making of family business decision-makers. Because family fit is not a relevant selection criterion for nonfamily firms, the shift in focus away from job-fit to family-fit criteria is unique to family firms, generating greater variability in affect infusion.

**Proposition 1b.** *Utilizing family-fit criteria in the selection of nonfamily TMT members is more positively associated with affect infusion than utilizing job-fit criteria, which hinders affect infusion.*



**Advisors.** Different types of advisors were identified, including formal and informal advisors, as the third context-specific element in the selection process. The role advisors play in affect infusion depends on the type of advisor, and changes throughout the selection process. In the preselection phase, family businesses were found to predominantly use formal advisors, such as professional HR service providers and headhunters (e.g., Cases 2, 9, 11, and 12). In the final selection phase – especially when the context changes from the business to the family evaluation setting – formal advisors typically withdraw from the selection process; instead, informal advisors are included. Informal advisors include, for example, family members, such as decision-makers' spouses, as the following examples show.

*C9–NF2: “If we have a feeling that the candidate could fit, then there’s an initial interview, where the headhunter is usually present, and afterwards, there’s normally a second interview, where the headhunter is usually no longer present, and, depending on that, there may even be a third interview afterwards.”*

*C16–F1: “During the final decision, my wife also comes in during the final interview. When a decision has to be made between two applicants, and when it comes down to gut feeling, she’s also an important part of the decision-making process.”*

The involvement of formal advisors can be regarded as a mechanism to prevent affect infusion. Whilst formal advisors serve as a means to diminish the influence of affect on decision-making, informal advisors introduce higher levels of affect into the process. This is partly the case because they also do not have access to information, which goes beyond affect. Some family businesses find very idiosyncratic ways of legitimizing their affect-driven decision-making:

*E5: “In the end, we went to the CEO’s home with the candidate. He calls his wife, she comes with a German Shepherd, and lets the dog go, and then the German Shepherd goes off, comes to me first, because I like dogs, and then he goes to the candidate, and [the candidate] pets him and so on, and afterwards, he goes out again, and then we wait a moment, and then, the phone rings for the patron. He answers it, talks for a bit. Hangs up. ‘Okay, my wife thinks we should recruit him too,’ he says, and then I say, ‘Uh, okay, but she made up her mind pretty quickly.’ Then, he says, ‘Yes, she did, but the important thing is that the dog accepts him.’”*

In summary, two different types of advisors have different roles in the selection process, allowing more or less affect infusion into the selection process. While formal advisors are commonly commissioned in nonfamily firm selection processes, the possibility of relying on the assessments of informal advisors as well is, once more, unique to family firms.

The following proposal is therefore made:

**Proposition 1c.** *Utilizing informal advisors in the selection of nonfamily TMT members is more positively associated with affect infusion than utilizing formal advisors, which hinders affect infusion.*

## 5.2. The role of family decision makers' context-specific attitudes

The elements discussed above outline family firm-specific contexts regulating affect infusion. Interestingly, these elements of regulating affect infusion seem to be a consequence of another important factor: the decision-makers' context-specific attitudes. In particular, analyses of the cases and expert interviews demonstrate that family business decision-makers exhibit differing underlying attitudes toward the selection of nonfamily TMT members (namely, *attitudinal openness*, *defensiveness* and *readiness to delegate*), and that these attitudes have a profound influence on decision-makers' behaviors throughout the selection process.

Firstly, the data reveals different levels of *attitudinal openness* towards the selection process of nonfamily TMT members as such (e.g., Cases 5, 7, and 8; E4 and 8). For example, in some cases family-internal decision-makers were open to TMT candidates from industries different from the firm's existing focus, and with experiences distinct from the existing business model, whilst others were not.

*C4–NF1: “But we probably should have bid goodbye to this business model, that you have to have experience there. Otherwise, we wouldn’t have had any candidates there. So, we would have had ‘normal’ CEOs as candidates, who either had a lot of experience on the production side, on the marketing side, or on the sales side, but all three of them together in this environment, plus nutrition, would have been a bit too much of an ask. We wouldn’t have gotten any.”*

Analysis also shows that either the requirements profile, as originally drawn up, is rigidly maintained – in which case, many potential candidates may be dropped (indicating low attitudinal openness) – or it can be seen as a guideline to be adapted during the process (indicating high attitudinal openness). One expert noted that,

*E4: “... many owners cannot detach themselves from their emotional image, from their ideal image of exactly what they need”.*

Another interviewee remarked:

*C12 F1: “No, most likely, our industry is not ideal for women either. I already have one woman on the Board of Directors – my daughter – and I already have my problems with her.”*

In this example, the interviewee mentions the industry as a ‘justification’. Industry influences are also used by other interviewees as a justification for not taking candidates into account: e.g., because the industry is very regional and regionality is of particular importance. Some experts reported on recruitment for management positions where candidates had to come from the same region, from a maximum distance of 50 km away, or from a rural region. In Switzerland, this issue is particularly apparent, due to the diversity of dialects. The same language or the same dialect is used to determine whether a candidate is suitable or not.

Secondly, in some cases, a generalized *defensiveness* was observed, with regard to appointing family-external managers. All applications by family-external candidates in these cases were summarily rejected after the application documents were reviewed. The

experts interviewed reported (as they saw it) implausible reasons, as to why family-internal decision makers came to these rejection decisions. For example, they claimed an allegedly nonexistent fit, as the following quote illustrates:

*E15: "In certain companies, you know that the owner still has a lot of influence, and this prevents many managers from applying for a job. There are managers who don't care and who can handle this situation and others who can't. Such a patron often says that there are simply no good people. But this mostly has to do with the patron because there are very good people."*

A defensive attitude could also be deduced in the fact that family decision-makers reveal little information about themselves and their company (such as the expectations of a manager's abilities, value, and attitudes), which can make it very difficult for potential candidates to assess their fit with the company, and prepare for potential interviews, ultimately impeding their decision to apply.

Furthermore, for some family business decision-makers, their negative attitude towards the selection of nonfamily TMT members manifests itself through a lack of *readiness to delegate*. They appear to be unwilling to delegate power and responsibility to external parties, such as nonfamily TMT members (e.g., Case 6, 12, 16; E1, 10). Even when family business decision-makers are aware that they are obliged to open their TMT to nonfamily members because (for example) there are no suitable family members to fill the positions, or because they aim at professionalization of the business, they still keep information to themselves, or refuse to hand over responsibility, as the following example shows:

*E10: There are many emotional, small things. A businesswoman who is known throughout Switzerland once told her employees in an executive meeting: 'Well, you know, I need you, because I can't do everything, but I can do it better than you.'*

As a result, potential candidates may feel that they are not being met on equal terms and that they are considered to be inferior partners, which will likely deter them from applying for TMT positions. In many cases, it is clear that this cannot work, especially at the TMT level, and yet there are numerous indications that delegation and the transfer of responsibility are a hurdle.

Particularly specific to family businesses is the fact that, in connection with the delegation of management, there is the consideration that shares in the company must be given to nonfamily TMT members, in order to win them round. A refusal to delegate because ownership must remain fully in the family may further hinder selection and discourage potential suitable candidates (e.g., E5).

These family decision-makers' context-specific attitudes were found to influence the specification of contextual elements (i.e., selection settings, selection criteria, and advisors); they thereby also ultimately influence affect infusion in the selection process. For example, family business decision-makers with a high degree of attitudinal openness define contextual elements providing strong regulation of affect infusion by, for example, outlining requirement profiles focusing on job-fit related selection criteria upfront:

*C11–NF1: "I am absolutely an advocate of 'going for competence', and not for knowledge; but of course, I notice that in our organization, people are often recruited on the basis of professional competence. It is, of course, easier, even for the boss, if someone who has the expertise comes along and can take effect right at the start; but in the long run, it's not the best solution."*

*C6–F1: "Yes, we defined a complete job profile and a requirements profile and then assessed the applicants according to the various criteria, and compared them in a table, and had a psychological report drawn up, which we then discussed."*

The example shows that a high degree of attitudinal openness leads to a greater alignment of selection criteria with what is required for the job/position at hand (i.e., job-fit) rather than what is in accordance with the owner families' values and goals (i.e., family-fit).

Other examples suggest that a constrained readiness to delegate prevents family decision-makers from handing over responsibilities within the selection process to external parties such as formal advisors and nonfamily TMT members (e.g., Case 6, 12, 16; E1, 10) and they therefore foster affect infusion by, for example, relying on family-internal advisors:

*C16–F1: "During the final decision, my wife also comes in during the final interview. When a decision has to be made between two applicants, and when it comes down to gut feeling, she's also an important part of the decision-making process."*

Attitudes can also affect the choice of evaluation setting. Over time, the setting typically shifts from a formal business setting to an informal family setting. The change of setting opens the possibility of obtaining more information about the candidates. In the case of limited attitudinal openness or a lack of readiness to delegate, this can lead to candidates being eliminated because of poor table manners.

*C8–F1: "The only thing I do, aside from several conversations, is that I usually have lunch or dinner with this person so that I can gauge a bit of what they're like or how they conduct themselves in public."*

*E10: "You get to know the person again. At dinner, you suddenly notice how he sits at the table and eats. No, that's not acceptable; I'm sorry, but his elbows are always on the table, and how he holds the fork, as if he wants to kill me, and then, those are things, those are the little things that can be relevant, where you just say, 'He has no style: that will never fit with our house.'"*

In summary, context-specific attitudes of family business decision-makers towards nonfamily TMT members and their selection become apparent during the selection process. These attitudes might shape the way family firm context-specific elements (evaluation settings, selection criteria, types of advisors) are used to regulate affect infusion. Thus, the following is proposed:

**Proposition 2.** *Family business decision-makers' context-specific attitudes (i.e., attitudinal openness, defensiveness, and readiness to delegate) may influence how the context-specific elements regulating affect infusion are arranged. The resulting affect-infused evaluations may subsequently bias the evaluation process and final selection decision. Attitudes, thereby, indirectly influence the selection process and final selection outcome.*

### 5.3. Sabotage in the selection process

As shown above, those family firm context-specific elements that regulate affect infusion are utilized by family decision-makers to open up the possibility of enriching the selection process with affective information, beyond cognitively derived information. In cases in which cognitive and affective evaluation of the candidate match, a decision resulting in the final selection outcome can easily be reached.

While affective information might enrich and improve the selection process, in cases where affective and cognitively derived information mismatch, tension arises, potentially resulting in a decision-dilemma. The data reveals several cases in which affect and cognition mismatch, leading to tension:

*C8–F1: “When you get to know someone better, then, logically, the feeling changes, even if everything is right on paper. The first three seconds are actually decisive. When I look back, I simply didn’t have a good feeling from the beginning and, in the end, apart from everything rational that you do in order to find something out, your gut feeling is also quite important ....”*

*C15–F2: “Because my gut feeling said so, we didn’t take him in the end. I had many factual reasons for it afterwards, but I just felt in my gut that it wouldn’t work.”*

In cases in which cognitively evaluated factors (such as job-fit) support the selection of the respective candidate, whilst affective information (such as family-misfit) weighs against the candidate, family decision-makers face a selection problem. They might base their decision on affective information and disregard cognitively derived evaluations; conversely, they might come to a decision based on cognitively derived information whilst suppressing their affect. Both selection decisions, rejection or acceptance, might entail negative consequences for the family decision-maker. For example, if a candidate with low family-fit is selected, negative spillovers to stakeholders might result:

*C12–NF1: “We had a candidate for a position, and he was excellent. First conversation, he was the top. His qualifications were fantastic. For the third appointment, we called his wife in, and they started bickering. It was disrespectful. In a family firm, you have to be able to treat each other with respect. That was the killer. It’s quite possible that the candidate will then treat the employees in the same way.”*

On the other hand, adhering to affect as information might lead to the selection of a candidate with inferior management competence.

Those family business decision-makers, in particular, who adopt a defensive attitude toward family-external TMT members, will exhibit less attitudinal openness, not being ready to delegate, and will capitalize on the room for affect infusion. They engage in sabotage, which is defined here as an act purposefully impairing the selection outcome, so that objectively suitable candidates are rejected because they run contrary to family business decision-makers’ affective evaluations.

Various acts of sabotaging were identified during different phases of the selection process. In the preselection phase, as E10 and E11 reported, family decision-makers created unrealistic requirement profiles and rejected candidates, even if they had a high job-fit. In other examples, managers are selected without due process, largely based on the affect-driven notions of the family business decision-maker, which is only possible given the idiosyncratic position of power family owner managers have in the business. Such processes, however, may lead to the hired TMT members rapidly leaving the company again, and the process is, thus, considered a failure:

*E8: “So the owner, at age 64, thinks: ‘Hmmm. Now I should probably start to think about succession’. And then he knows X, from the military, and he’s a nice guy, and he tries him, and then X comes, and after one-and-a-half years, he leaves again because it doesn’t work, right?”*

During their first meeting with the candidate, family-internal decision-makers could be seen to utilize different cues to support their negative stance towards a family-external candidate, and to legitimize their rejection decision. Examples of such cues included candidates wearing the wrong watch (E10), using too many Anglicisms (C3–F1), or speaking the wrong dialect (C11–F1).

*E9: “Because then, it’s just human. Whether someone fits in, it just comes down to little things. Look, someone is wearing the wrong perfume. It just doesn’t work. Everything would be great. Everything would be great ... but literally, they can’t [stand the] smell ....”*

The use of sabotage is also found in the final selection phase, mostly in situations in which the external candidate’s fit with the owner family is assessed (e.g., Cases 2 and 13; E10 and 11). A lack of family-fit might be a deal-breaker in this phase, as illustrated by the family CEO of F1:

*C3–F1: “The values; they have to do with a way of life. So, with us, someone who doesn’t want to move to the mountains but wants to be CEO with us, that’s not possible. Our business takes place in the mountains.”*

*C3–F1: “That has to fit, so when I think about it now, if [the candidate] does not hold these values, we would have to replace him. Because for us, it’s the top priority that these values are held by the family; otherwise we are no longer a family firm, and that’s important to us.”*

An expert highlighted this family business-specific aspect of the selection process as follows:

*E 11: “So, the match with a family business is even more crucial, because the owner remains. CEOs X, Y, and Z might leave, but it’s not a cult of personality. With a family business, it’s ‘take it or leave it.’ It’s about adaptability. The candidates must be adaptable.”*

In another example, an advisor referred to a situation in which the spouse of the candidate and the owner’s wife were on bad terms:

E9: “These women just couldn’t stand each other. In this case, it was really the wife of the owner who did not like the wife of the candidate.”

Despite identifying a final candidate in the selection process, the fact that the owner’s wife did not like the candidate’s wife resulted in a rejection of the candidate. Affect information, thus, was given the highest importance, and ultimately outweighed cognitively evaluated information.

In summary, numerous acts of sabotage were identified, including the use of unrealistic requirement profiles, rejection of candidates in the preselection phase, despite formal criteria being met, and even interpretation of individual character traits. Acts of sabotage may be used to resolve the tension arising from a mismatch between the cognition and affect-driven evaluation of the candidate, and may be reinforced by the context-specific attitudes of the family decision-makers. Consequently, the following is proposed:

**Proposition 3.** *In the selection of nonfamily TMT members in family businesses, the evaluation of candidates based on cognitively assessed criteria may not match the affect of the family-internal decision-makers. In these cases, family-internal decision-makers may sabotage the selection of non-family TMT members to resolve this tension in the selection process.*

## 6. Discussion

This qualitative study was conducted to determine *how affect influences the selection process of nonfamily TMT members in family businesses*. The empirical findings and the related propositions suggest that affect infusion does indeed play an essential role in this process. Family businesses differ in adopting affect-regulating mechanisms, such as consultation with professional advisors. As a result, the selection process in some family businesses is impacted by affect to a much greater degree than in others. Affect gains importance over the course of the selection process: in the final phase, it may well become the decisive factor in selection.

### 6.1. Theoretical implications

This study contributes to family business research in different ways. In the first place, it links affect-influenced decision-making in family businesses with basic psychological theories about the role of affect in decision-making. Specifically, it extends prior work in linking the established Affect Infusion Model (Forgas, 1995) with family business research (Zellweger and Dehlen, 2012); in doing so, it offers a better understanding of the role of affect in family business decision-making. At the same time, the paper provides a new perspective on the Affect Infusion Model. According to this model (Forgas, 1995), high affect-infused processing strategies, such as substantive information processing, are more likely to be in place when specific target, judge, and situational conditions occur (Forgas and Ciarrochi, 2001). For example, if familiarity with the object of assessment is low (target feature), a stronger influence of affect is more likely. In the case of TMT selection, family decision-makers are not especially familiar with the selection process, because changes in TMTs occur typically only on rare occasions. Furthermore, if the topic is of high personal relevance (judge feature), and when complexity and motivations to judge accurately are high, individuals use substantive processing strategies (Forgas, 1995). This gateway to affect infusion stands out in the data. Firstly, TMT members are important strategic decision-makers and exert a strong influence over the future of a family business (Hambrick and Mason, 1984). For owner family members involved in the selection process, the family business is of crucial importance, not only because it may be financially attractive to hold shares in it, but also because of the high socioemotional yields the business provides (Zellweger and Astrachan, 2008). Therefore, the selection of ‘fitting’ candidates is of paramount importance (Kristof-Brown et al., 2005). Secondly, the findings show that some family decision-makers are subject to defensive attitudes, and are not willing to delegate decisions. These strong, distinct attitudes are indicators that the selection decision is of high individual importance and, thus, open to affect infusion, which is also shown in the findings. Furthermore, the data supports the prediction that a lack of measurable criteria will enhance affect infusion. In the preselection phase, affect infusion increases, because relationship-related criteria are less clearly measurable, and more open to diverging evaluation (Johannisson and Huse, 2000; Zellweger and Dehlen, 2012).

In addition to this, the findings presented here address important open questions regarding the role of affect in family business decision-making in more general terms. Picone et al. (2021) propose that, in family businesses in particular, affect influences the way heuristics and biases unfold in the management of a firm. Likewise, Labaki and D’Allura (2021) argue that affect influences important family business outcomes, such as the magnitude of SEW. To date, the majority of papers studying the influence of affect on decision-making have concerned themselves with the influence of affect in terms of affective traits (i.e., stable individual differences in experiencing positive or negative affect, such as always being fearful or angry) on decision-making (Delgado García et al., 2015; Hatak and Snellman, 2017; Welpe et al., 2012). These findings add to an understanding of the hitherto under-investigated specific influence of affect (i.e., affective reactions to specific triggers) (Cristofaro, 2019). There has also previously been a particular lack of understanding of the effects of emotion governance mechanisms (Labaki and D’Allura, 2021) on the strength and influence of affect infusion. Research indicates that interpersonal interactions, through a dyad’s affective interactions, might be an effective regulating strategy (Ashkanasy, 2003; Fink and Yolles, 2015). These findings support this view, for example, by showing that formal advisors have the ability to reduce affect infusion (in this case, the evaluation of family-fit criteria). This may be so because formal advisors are less likely to share the same affective states as close family members, and may encourage family managers to reevaluate their evaluations and decisions due to their neutral position, as well as their professional recruiting and selection experience (Bennett et al., 2000; Bertsch-Michel et al., 2021). Beyond interpersonal interaction, organizational culture/climate and policies may regulate the affective states in organizations (Koskina and Keithley, 2010; Zhang et al., 2009). These findings highlight the family business-specific nature of

the organizational context by showing that the switch from the business to the family setting is linked to affect regulation. Whilst more formal and informal settings do exist in nonfamily businesses, informal settings, as observed in the data (e.g., meetings in the private home of the family business decision-maker) are specific to the family business context.

These findings furthermore add important detail to the hitherto vague understanding of how, when, and to what extent affect plays a role in family business decision-making, and ultimately in the achievement of economic and noneconomic goals (Picone et al., 2021). This analysis shows the affect of a family business decision-maker does not merely tangentially influence the decision-making process, but might also govern the final outcome, in the sense that it decisively alters an outcome that would have otherwise been reached without affect infusion. The study also suggests that the entire process might be sabotaged by the family decision-maker to reach affect-congruent decision-making. Important and often time-critical decisions are therefore deferred, which might place a family business in economic jeopardy, especially if relevant TMT positions cannot be filled in time. These findings provide further detail with regard to this perspective by suggesting that different types of triggers have the potential to evoke strong affective reactions in decision-makers. These could be neutral objects (such as a watch) – which are evaluated by the family business decision-maker based on context-specific attitudes and contextual influence factors – or situations, such as an interaction with the family dog, which from a neutral perspective are not related to the goal of filling a position in the TMT by contributing to assessing characteristics relevant to the fulfillment of the job.

This study also has implications for the family business literature on human resource management (Combs et al., 2018; Hoon et al., 2019). Numerous authors have pointed towards the importance of nonfamily TMT members in terms of strategic decisions, firm performance (for a recent overview, see D'Allura 2019), and the professionalization of family businesses. At the same time, the external manager selection process remains insufficiently clarified (Hiebl and Li, 2020). Family businesses are increasingly faced with the challenge of relinquishing control at the management level, because fewer and fewer family members are willing and/or able to take on management functions (Zellweger et al., 2011), yet, at the same time, some incumbents are unwilling to 'let go' or hand control to nonfamily TMT members (Boyd et al., 2014; Sharma et al., 2001). Previous research has not sufficiently considered this tension (Strike et al., 2015; Waldkirch, 2020), which, as these findings underline, may, in the end, lead to the sabotaging of the process, despite the intention of the firm to professionalize. These findings highlight how difficult it is for family businesses to successfully complete this process for different reasons: not merely due to a lack of candidates, but also due to the complex and emotion-laden selection processes. Fitting candidates not only have to fulfill criteria related to the position, but must also develop a positive relationship with the owner family, which might be influenced by attitudes entirely unrelated to the specific candidate. Furthermore, this study highlights the role of affect in this process, which thus far has been underestimated. Whilst researchers have acknowledged that interactions between nonfamily TMT members and family decision-makers and emotions play a role in family business strategic decision-making, the study shows that these processes are essential even before collaboration starts. Consequently, it can be assumed that the TMT recruitment process has an impact on the further behavior and interactions of TMT members (Knight et al., 1999; Kor, 2006; Wright et al., 2007).

## 6.2. Practical implications

From a more practical viewpoint, this study can help family decision-makers, as well as potential TMT candidates, to reflect on the impact of affect in the selection process, and provides possibilities for affect regulation. However, the authors would like to stress that affect infusion in the selection process might also *enhance* decision quality. The adoption of heuristic processing might prove fruitful in finding a candidate with the right fit regarding personality, attitudes, and values, which is, according to the person-organization-fit literature, an important success factor (Kristof-Brown et al., 2005). These findings show that affect might also have negative consequences, if the process is sabotaged by the family decision-maker, or in cases where affect contradicts objective decisions: for example, with regard to job-related criteria. The attitudes of family business decision-makers need to be taken into account, in order to understand the process and seemingly contradictory behavior involved.

It might not be obvious to every family decision-maker that affect significantly shapes the individual decision process and what the consequences of the infusion of affect are. In this sense, this study might sensitize family decision-makers, encouraging them to reflect more deliberately on their attitudes and fundamental value systems (Schwarz, 1990). Furthermore, one can revert to mental self-regulation training or individual coaching, in order to better perceive one's own reaction to affect-inducing signals, which have also been proposed as an effective measure in the literature (Bielaczyc et al., 1995; Carey et al., 2011). From a more organizational viewpoint, family decision-makers might introduce affect-regulating measures and procedures, such as calling in an executive search expert from outside the firm, taking advice from the HR department, and formalizing the selection process by, for example, compiling a written requirement profile (Bennett and Robson, 2005).

For TMT candidates, this study provides helpful insights, in the sense that even small and seemingly nonrelevant signals (such as a watch) might lead to their exclusion from the selection process. While the candidate her/himself is not in a position to arrange for affect-regulating measures, she or he might nevertheless try to determine the attitudes and values of the family decision-maker. Research on symbols in leadership (Dyer, 1988; Zwack et al., 2016) shows that the basic attitudes and values of leaders often find their expression in symbols such as organizational artifacts (e.g., business architecture and company cars), individual artifacts (e.g., status symbols, disclosed religious affiliations, and clothing), or verbal expressions (e.g., anecdotes and firm value statements). Perceiving and evaluating these symbols might help candidates deliberately use or avoid specific signals, possibly triggering selectors' affect.

### 6.3. Limitations and future research

As with any empirical study, this study has limitations, though these may indicate potential for future research. This study was conducted in Switzerland; numerous affects resulting from the Swiss context can be observed, such as the importance of speaking the same dialect or the notion that candidates should come from a rural area. Personality traits such as humility can also be regarded as especially pronounced in the Swiss context; in other regions or countries, different triggers might be observed. Accordingly, the authors encourage future research, in order to investigate the described phenomena in different cultural settings (Hofstede, 2001), to ensure the generalizability of their findings, or to establish unique cultural triggers.

Furthermore, the empirical results of the Culturally sensitive Assessment Systems and Education (CASE) project (see Gupta and Levenburg, 2010) show that the boundaries between family and firm are only moderately regulated in Switzerland. In contrast, they may be heavily regulated in other regions, such as the USA or Great Britain. In less regulated regions, family business decisions tend to be controlled within the family, and the roles of family members within the business may be quite informal. This might broaden the gateway for affect infusion. In Anglo/Germanic regions, the power of the family is highly regulated, possibly leading to a lower degree of affect infusion. It is therefore advisable to replicate the present study in other regional contexts.

This analysis focuses solely on a particular strategic decision-making process: the selection of nonfamily TMT members. Giving up family control by recruiting family-external top managers is a decision of high relevance for many owner families (Berrone et al., 2012; Molly et al., 2019). Affect infusion is thus more likely to appear. It would be interesting to explore affect infusion in strategic decision-making by analyzing a contrasting process with less relevance for the owner family. For example, innovation decisions that do not alter the fundamental business model of a business (such as incremental product innovation strategies) might prove an interesting start point.

Indeed, affect infusion can hold strong relevance for other emotionally driven decisions. For example, decisions related to socio-emotional wealth (Gómez-Mejía et al., 2007) represent a rich area for future family firm research (see also Zellweger and Dehlen, 2012; Kellermanns et al., 2012). Similarly, recent family firm research has suggested a need to more fully embrace micro-foundations to explain family firm phenomena (e.g., De Massis and Foss, 2018); many fruitful avenues of research exist here that could benefit from recognizing affect infusion in the decision-making process, e.g., internationalization decision. Although the results indicate an influence of context-specific attitudes toward nonfamily TMT members on affect infusion, the authors were unable to corroborate unidirectional causal relationships, due to the study's qualitative design. Indeed, the psychological literature is also concerned with the influence of affect on attitudes (for an overview, see Forgas, 2008). It might be worth studying the dynamic and mutual effects between attitudes and affect, and how this interplay perpetuates family firm behavior in the long run. Based on imprinting theory, Kidwell et al. (2018), for example, propose that owner families imprinted with entitlement apply less formalized HRM practices in the selection of family employees than do nonfamily employees. The interplay of affect and attitudes might explain how these imprints develop over time. There is tentative evidence that imprints are reinforced, if the consistency between affective and cognitive attitudes is high (for an overview, see Petty et al., 2003). Thus, in this case, affect-congruent decision-making might play a crucial role in reinforcing the future behavior of family decision-makers.

Other interesting avenues open when considering the results in light of the existing literature. Many research papers have pointed out that the ownership succession process is a very delicate phase in the lifecycle of a family firm (Handler, 1994; King et al., 2022), in which both the owner family as well as family-external stakeholders are prone to affectual influences (Labaki and D'Allura, 2021). It may therefore be worth studying periods of change in family firms. In addition to ownership and managerial succession processes, other key events may change the affect infusion process. For example, marriage, divorce, birth or the (un-)expected death of dominant family members have the potential to trigger a wide range of emotions in the firm. Unfortunately, these contingents and possible antecedents of TMT selection in family firms are often overlooked (see also De Massis et al., 2008; D'Allura, 2019).

Lastly, more research is needed into which emotional situations can lead to sabotage behavior in family firms. Here, not only are TMT appointments of interest, but so is behavior directed for personal rather than organizational interest. Scenarios where different family branches (e.g., cousin consortium; see Gersick et al., 1997) vie for dominance may offer the opportunity for interesting qualitative research. The role of family firm conflict (e.g., Eddleston and Kellermanns, 2007) is of considerable interest: specifically conflicts that elicit negative emotions, such as status and relationship conflicts (e.g., Eddleston and Kellermanns, 2007; Pai and Bendersky, 2020; Kubíček & Machek, 2020 Kubíček & Machek, 2021) and their effect on affect infusion, individual behavior in the firm (i.e., sabotage), and ultimately firm performance.

### Author statement

Sabrina Schell: Conceptualization; Data curation; Formal analysis; Investigation; Methodology; Project administration; Validation; Visualization; Roles/Writing - original draft. Julia de Groote: Conceptualization; Data curation; Formal analysis; Investigation; Methodology; Project administration; Validation; Visualization; Roles/Writing - original draft. Andreas Hack: Conceptualization; Validation; Writing-review & editing. Franz Kellermanns: Conceptualization; Writing-review & editing.

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## Data availability

Data will be made available on request.

## APPENDIX A

Firm code	<i>n</i> Family member on the board of directors	<i>n</i> Nonfamily member on the board of directors	<i>n</i> TMT member	<i>n</i> Family TMT member	Case description overview	Behavior in the preselection phase	Behavior in the final selection phase
C11	2	5	7	0	<p>The family business has a strong reputation and is well known in Switzerland. Members of the entrepreneurial family are on the Board of Directors, while the Executive Board is made up exclusively of nonfamily TMT members. The CEO of the company is recruited and selected by the Board of Directors. Other members of the TMT are largely recruited and selected by the CEO. The Board of Directors reserves the right of veto. The Chairman of the Board is very well known in Switzerland and led the company before the current CEO. He is also involved in, for example, the selection of cooperation partners. The Board of Directors reserves the right to be involved in strategic decisions. In particular, the Chairman of the Board of Directors and his daughter shape the company and its external image, even though they do not hold management positions.</p>	<p>The entrepreneurial family itself searches for the CEO and is responsible for the selection. This is ensured in particular by its positions on the Board of Directors. The CEO and his current team search for and select the other members of the TMT. Headhunters are also used for this purpose. For example, to select the CEO when the entrepreneurial family is in charge, a graphological report is prepared. When the CEO and his team are in charge, headhunters and consultants are involved.</p>	<p>The CEO and another family member invite potential CEO candidates to dinner and make a final decision afterwards. Information about, e.g., the economic situation of the company, is only given to the current CEO after recruitment (perhaps obliging a leap of faith by the candidate). The incumbent only presents the other TMT members to the board at the end of the process. An intensive discussion takes place between the nonfamily CEO and the board, and a joint decision is made. The Board of Directors has a right of veto, and has to nominate candidates: "The CEO brings one or two candidates and proposes them and the Board of Directors decides. Maybe someone from the Board of Directors knows this person or can judge him better and so the board of directors finally decides." C11_F1</p>
C12	3	1	3	0	<p>The company is active in the tobacco industry and has a long history. The company is particularly characterized by members of the entrepreneurial family, which can be perceived in the interviews but is also attested to by external sources (the company website and advertising brochures). The member describes that he leads the three managing directors of the company. The Board of Directors searched for and selected the current members of the TMT (the CFO, Head of Technology and Production, and Head of Marketing). An attempt to undertake this with headhunters failed.</p>	<p>The member of the entrepreneurial family, describes the attempt to search for members of the TMT with headhunters as a failure: "I don't want a headhunter anymore, and I can't hear the word 'CEO' anymore." The Board of Directors selected the current members of the TMT. Two of the current TMT members were already working at the company before they were appointed as TMT members. Nevertheless, the board member emphasizes that they were recruited on the basis of professional competencies, which the company systematically examined.</p>	<p>The member of the entrepreneurial family cites the necessary identification with the company as a reason for paying particular attention to affects in the second phase. The necessary fit with the company and the product is also important, which is mainly found through informal conversations. "Yes, we had a dinner together once and she [my wife] didn't have a bad impression of him [a candidate for marketing]. He presented himself very well and he also had a certain charm, but I couldn't really assess him myself." The candidate was hired but dismissed after a short period. This incident served</p>

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Firm code	<i>n</i> Family member on the board of directors	<i>n</i> Nonfamily member on the board of directors	<i>n</i> TMT member	<i>n</i> Family TMT member	Case description overview	Behavior in the preselection phase	Behavior in the final selection phase
							as a justification for listening more to gut feelings in the future.

## APPENDIX B

Overarching theme	2nd order code	1st order code	Sample quote 1	Sample quote 2
<b>Regulation of affect infusion</b>	<b>Selection criteria job fit vs. family fit</b>	Formal qualification Specified university degree, certificates	C7–F1: “If he just shows us school qualifications, then that tells us nothing. Then he has no work experience, you can’t ask anywhere for references. No, I think values are more important than the documents.”	C8–F1: “I can think back now to the Head of Finance. We thought, what kind of tasks does he have to do, what does he have to bring with him? I determined at least a technical college or a degree, certain experiences within the industry. Gender doesn’t play a role at all, nor does nationality.”
		Relevant experience Work experience in the same industry	C12–NF1: “Our owner finds industry knowledge, business relationships, or even networking relationships very important.”	E3: “But in the end you always reach a consensus that you take this person, right? Because that person might have more experience in the sector, or come cheaper. Or, depending on their age: they may have more experience because they’re older. Somehow, of course, you always reach a consensus.”
		Similarity and fit in terms of values Similarity and fit in terms of long-term orientation	C3–F1: “The values; they have to do with a way of life. So, with us, someone who doesn’t want to move to the mountains but wants to be CEO with us, that’s not possible. Our business takes place in the mountains.”	C11–F1: “We’re in a rural area here and we have the view that people who grew up in the city tend to struggle. They may speak faster than people here can listen. Not that we’ve specifically paid attention to this; most likely, this was unconsciously taken into account and most likely it creates better harmony between us and the candidate. One most likely has more affinities with someone who grew up similarly. This can play a role, but is more subliminal. In our present case, both CEOs grew up in the countryside.”
	<b>Evaluation setting professional vs. family internal</b>	Evaluation of signals of personal characteristics Evaluation of adaptability to family and firm	C11–F1: “Without professional competence, it’s not going to happen, and personality traits must also be right. For example, if someone with very good professional competences came along but just banded numbers around, it wouldn’t work for us. This wouldn’t work for us.”	E10: “You get to know the person again. At dinner, you suddenly notice how he sits at the table and eats. No, that’s not acceptable; I’m sorry, but his elbows are always on the table, and how he holds the fork, as if he wants to kill me, and then, those are things, those are the little things that can be relevant, where you just say, ‘He has no style: that will never fit with our house.’”
		Meetings and discussions in the formal/business context Company visits and observations	C12–F1: “We’d already done a tour of the company, and there, you pay attention to little things. There are those who look only at the machines, and then, there are those who greet the people at the machines. It gives you an indication of how empathetic a person is. It is important to experience the candidate in different situations, be it in the first interviews, during a	C6–NF2: “It’s the classic way, just as it is today. You make a preselection in the company, and the candidates you want to look at are called for an interview.”

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Overarching theme	2nd order code	1st order code	Sample quote 1	Sample quote 2
Family decision-maker context-specific attitudes	Professional advisors vs. family internal	Meetings and discussions in the informal/family context Private meals to get to know each other	tour of the company, in a meal together with the partner, etc. It's also possible that they will lead the person to the employees, and get an idea of how the employees react to the person. You get another piece of the puzzle." C8-F1: "The only thing I do, aside from several conversations, is that I usually have lunch or dinner with this person so that I can gauge a bit of what they're like or how they conduct themselves in public." C8-F1: "That is, the GL colleagues also have in principle – How should I put it? – Yes, they're also involved, but I wouldn't say that it's a right to have a say; but of course I would think twice if everyone said, 'Oh, he's a weirdo.'"	E15: "At the end, the final candidate usually goes out to eat or for a bit of a walk with the company owner and his wife."
		Involvement of professional advisors external to the family Involvement of executive search experts	C10-F2: "In our case, it's often done by the HR department, who simply interview these people, make initial clarifications and then select the three or four most interesting people ... I have an interview with them afterwards." C6-NF1: "I make the selection steps before the Board of Directors is involved, together with my brother."	
		Involvement of informal advisors related to the family Involving relatives or animals	C16-F1: "My brother is a lawyer. I consult him from time to time on legal issues, and also when recruiting new management members. He also manages the property that belongs to the family and is well versed in all aspects of finance and law. I also discuss important decisions with him." E2: "One expects value stability. People do expect a new company to operate within the frame of values they possess, to maintain them and to take them forward. Large losses of value are not accepted. Depending on the stage of the recruitment process one is in, if there is a conflict or disagreement between the outside manager and the company owner ... Especially if this happens early on, the company owner will shut off towards the candidate. This often means that the candidate will leave the company."	C8-NF1: "... this is something that can only be built up through daily cooperation. If someone doesn't do it, you can't trust him."
	Defensiveness	Closed communication No disclosure of the current business situation No concrete information on financial ratios  Rejection of any support by outsiders Rejection of advisors	6-F1: "What we actually don't do is use a headhunter. I have an aversion to that. Because the same headhunters contact the people who placed them five to ten years ago, and want to refer them again to earn something. I also think that it's a personal thing to hire the CEO, and you have to know yourself what kind of person fits or doesn't fit into the management team." C2-F1: "The recruitment process started when I had dinner at E's family home on a Sunday evening, as the partner or husband of F's daughter. I explained what I do, how I do business in the company. He then suddenly said that we needed to discuss something over dinner. He then asked me in one sentence if I wanted to join the TMT."	C16-F1: "I actually do it on my own. My brother and my wife are asked at the end as a kind of external opinion. I still like to do that, but at the end there is no voting or anything. I decide."
	Attitudinal openness	Exclusive search of own network Rejection of applicants from other industries	C4-NF1: "But we probably should have bid goodbye to this business model, that you have to have experience there. Otherwise, we wouldn't have had any candidates there. So, we would have had 'normal' CEOs as candidates, who either had a lot of experience on the production side, on the marketing side, or on the sales side, but all three of them together in this environment, plus nutrition, would have been a bit too much of an ask. We wouldn't have gotten any."	

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Overarching theme	2nd order code	1st order code	Sample quote 1	Sample quote 2
<b>Sabotage by family decision-makers</b>	<b>Readiness to delegate</b>	Openness to advisors Openness to support from outsiders	E4: "In many cases we will already be there when the selection profile is created, usually with the Board of Directors or with family members, and everyone discloses his or her wish list. What do you want most of all? What is the history involved? What are the emotions? What are the facts? What is the balance? What do we have to change? Well, it's really hard. Sometimes they even fight amongst themselves. 'I want a hardliner.' 'No, but we have to keep the employees onside.' Then we'll summarize the whole thing. So, this is actually before we even start working: a workshop is the first thing."	E8: "Emotions influence the whole thing. If companies aren't aware that, with this step, come many other changes ... So, not only does the old man not go to the office anymore and drive everyone crazy, but there are also many other steps, which all have to happen, especially mentally. It's like letting a child go. So, this is a difficult process. When you've built up the company, and it's successful, and now some young [elite Swiss business school]-boy pops up and tells you how life should work, and maybe he's right enough, but then you might find it even more irksome. So, this is something where we just tell these companies: 'Look, it's going to be painful, right? It's going to be painful, but it's painful for six months and then the pain subsides.'"
		Devaluation of candidates Feeling that one can do it best oneself	C12–NF1 "What is needed above all is integrity. You have to reckon with about 50% politics in a company. The owner is the one who decides, and there are these Sunday morning breakfast decisions. In family businesses, decisions are not always made rationally. Gut decisions are often made. These don't always make sense, given the facts and figures."	E7: "Many – I'll say it casually now – owners who have never actually gone through a modern management school then tend to act more on instinct and say, 'I know who fits in.'"
		TMT members regarded as partners Possible transfer of shares	C12–NF1: "It has to be remembered that middle-aged women who have asserted themselves in a leading position can also be beasts. They may have to look at character twice. Since they're most likely to be exposed to many, I had to impose on men. When there's a conflict between men, you punch each other once on the nose, and go for a beer afterwards, and my experience shows that women are more resentful."	C6–NF1: "I wanted short decision-making processes and to know who you work for. In addition, I was looking for an opportunity to participate, which actually happened."
	<b>Acts of sabotage</b>	Willingness to trust Trust in the abilities of others Trust in the future of cooperation	C8–NF1: "Yes, that remains a difficult question. Trust must first be built up. So, it's certainly the case that during the selection process, Mr. X asks himself the question: 'Can I work with him and can I imagine working with him? Can I imagine having confidence in him at some point?'"	C7–F1: "Yes, it would certainly be desirable for him to identify above all with the whole company, the enterprise and certainly also to strive for a longer-term thing."
		Collection of selection criteria, which are not explicitly spelled out Weak justifications for rejections	C12–NF1: "They get expertise everywhere. A lot of expertise is normally already available in companies. What is needed above all is integrity. You have to reckon with about 50% politics in a company. The owner is the one who decides, and there are these Sunday morning breakfast decisions. In family businesses, decisions are not always made rationally. Gut decisions are often made. These don't always make sense, given the facts and figures."	C5–F1: "Right, and this is a mixture of the conscious and the unconscious, and with the new personnel applications, we've become more and more aware in recent years of the fact that a certain amount of professional competence is required, and a certain amount can still be learned and integrated, and that's only half of what it takes. The other half is whether it suits us. That's what we need."
		Rejection of all candidates Rejections already made after the review of resumés	E14: "Well, I've seen some really wild things, in terms of organizational structure. We were looking for an external CEO. However, the owner kept the central services, such as IT,	E 10, E11: "The first impression is decisive. The owner finds them likeable or not. That will be the first thing. You don't have a second opportunity for a first impression."

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Overarching theme	2nd order code	1st order code	Sample quote 1	Sample quote 2
			finance and human resources, and everything else was to be managed by the external person. Candidates came in and the selection process started. They all said the same thing: 'How am I supposed to run the company, if these central processes are not run by me? I must be able to have a direct influence, I must be able to exert direct influence on such processes.' Two or three candidates then withdrew ... And those who would have responded were not good enough for the boss."	
		Implausible reasons for nonexistent fit, e.g., alleged lack of expertise	E1: "The business owners already say that a woman is also good and important and would also be considered, but there is always an undertone that a man is more desirable."	E10: "The owner of the company said that he had a gold watch, that it was not proper for an employee to have such a watch that was reserved for ... owners. I think it's gaga, but that was important and he fell out of favor because of it."
	<b>Multipliers of sabotage</b>	Change of advisors from formal to informal family-internal Excluding any objective support	C11 –F1: "The search committee chooses the new CEO and usually there's also a dinner with the family, i. e., with me and my sister. There we check whether the chemistry is right and whether there's a fit."	C16–F1: "During the final decision, my wife joins me for the last interview. When a decision has to be made between two applicants, and when it comes to gut feeling, she is also an important part of the decision-making process."
		During the preselection phase, by rejecting application materials During the preselection phase, by making the application process 'unprofessional' or unstructured During the selection phase, by admitting and interpreting triggers in line with prevailing attitudes	C12 F1: "No, most likely, our industry is not ideal for women either. I already have one woman on the Board of Directors – my daughter – and I already have my problems with her."	C12–NF1: "We had a candidate for a position, and he was excellent. First conversation, he was the top. His qualifications were fantastic. For the third appointment, we called his wife in, and they started bickering. It was disrespectful. In a family firm, you have to be able to treat each other with respect. That was the killer. It's quite possible that the candidate will then treat the employees in the same way."

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