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► **To cite this version:**

Ali Azouz, Nicolas Antheaume, Brigitte Charles-Pauvers. An Ethnography of Fairness Perceptions among Non-Family Employees: Does Religion Matter?. *Journal of Family Business Strategy*, 2021, 12 (3), pp.100375. 10.1016/j.jfbs.2020.100375 . hal-03709693

**HAL Id: hal-03709693**

**<https://nantes-universite.hal.science/hal-03709693>**

Submitted on 16 Oct 2023

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## **An Ethnography of Fairness Perceptions among Non-Family Employees: Does Religion Matter?**

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# **An Ethnography of Fairness Perceptions among Non-Family Employees: Does Religion Matter?**

## **Abstract**

It is assumed that fairness perceptions in family firms are complex to apprehend due to the overlap between family and business systems. In this context, one of the most critical challenges experienced by family firms is the fairness perceptions of non-family employees. Drawing upon the fairness literature, our in-depth ethnographic study of a Middle Eastern family firm reveals that fairness perceptions result from social and spiritual evaluation processes through which non-family employees interpret salient events. Specifically, we found that non-family employees combine rational and religious interpretations to generate fairness judgments through two main cognitive processing mechanisms. Labelled as *horizontal-social evaluation* and *vertical-spiritual evaluation*, these cognitive mechanisms are rational and supra-rational fairness assessment processes, respectively. Counterintuitively, our findings unveil that depending on the religiosity levels of both the dominant family coalition and non-family employees, the vertical-spiritual evaluation could affect the horizontal social-evaluation, and ultimately the overall fairness perceptions, to different extents. Theoretical and practical implications are also discussed.

**Keywords:** Family firm; Religiosity; Fairness perceptions; Non-family employees;  
Ethnography.

## **1. Introduction**

Fairness perceptions in the workplace have been linked to both positive outcomes, such as job satisfaction (Moorman, 1991), affective commitment (Allen & Meyer, 1990), job performance (Collins et al., 2012), and citizenship behaviours (Organ et al., 2006) as well as negative outcomes, such as counterproductive work behaviours (Greenberg, 1990) and greater turnover intentions (Nadiri & Tanova, 2010). In the family business context, while scholars have conceptually analysed how the overlapping of family and business systems affects fairness perceptions among family firm members (e.g., Barnett & Kellermanns, 2006; Lubatkin et al., 2007; Samara & Paul, 2019; Schulze et al., 2002), few empirical studies have examined the fairness perceptions of non-family employees (see Marler et al., 2019).

Fairness perceptions among non-family employees are important, as these employees face a unique configuration of forces coming from the family and business systems (Barnett & Kellermanns, 2006; Blondel et al., 2000; Carsrud, 2006; Chrisman et al., 2014; Samara & Arena, 2017). For instance, many studies indicate that the family business context may reflect

an authoritarian leadership culture that often leads to unilateral, arbitrary human resource (HR) practices (Tagiuri & Davis, 1992). These increase the potential for unfairness towards non-family employees, especially when decision-makers violate non-family employees' ethical principles and/or moral values (e.g., Barnett & Kellermanns, 2006; Folger & Cropanzano, 2001).

Nonetheless, one important configuration of forces that can affect fairness perceptions comes from the family's values as embedded in the firm, such as those inspired by religion (Astrachan et al., 2020), which may create a culture more sensitive to non-family employees' needs and provide a climate of care and concern (Tabor et al., 2018). Although family firm values may be guided by a profound sense of spirituality and religious identification (Discua Cruz, 2014; Paterson et al., 2013; Sorenson, 2013)—and organisational values are critical to ethical behaviours (García-Álvarez & López-Sintas, 2001)—a research gap currently exists in better understanding how religion shapes non-family employees' fairness perceptions.

Our article addresses this research gap in the family firm literature and follows prior work by Marler et al. (2019), which encourages an extension of the understanding of fairness perceptions through additional empirical research. Subsequently, this article uses an ethnographic approach to investigate the complex process of how salient religious-based values and beliefs, particularly those inspired by Islam, shape the fairness perceptions of non-family employees in an Egyptian family firm based in the United Arab Emirates (UAE). While Islam as a religion places a particular emphasis on justice topics (Randeree, 2008), research on organisational fairness in family firms from countries dominated by Muslim populations, such as the UAE, remains scarce. Consequently, since Islam and its teachings significantly influence organisations and employees' behaviours (Branine & Pollard, 2010), this UAE-based family firm is a particularly appropriate setting to study the relationships between religion and fairness perceptions. By integrating a religious lens in our analysis, we

seek to adopt a more holistic approach to better understand how family firms operate (e.g., Basco & Pérez Rodríguez, 2009). Given this, our study addresses the following overarching research question: *How does religion affect non-family employees' fairness perceptions?*

We address this research question by drawing upon the fairness literature that offers a compelling perspective to investigate how non-family employees may form fairness perceptions in the family firm context (e.g., Barnett & Kellermanns, 2006). Additionally, we use a grounded theory building approach (Glaser & Strauss, 2017), which is particularly well-suited for academic research on an emergent line of enquiry. Specifically, this ethnographic case study has the particularity of being realised in an original context as one of the article's authors, referred to here as "the ethnographer", has primarily and opportunistically adopted a participant-observation method over an extended period of time (Adler & Adler, 1987; Gold, 1958). During the six years spent with this family firm as a family-in-law manager, the ethnographer could observe, from the inside and in real-time, how religious values and beliefs influence non-family employees' fairness perceptions. Consequently, we built our conceptual model by analysing observational data from a six-year ethnographic study of an Egyptian family firm operating in the catering industry.

The outcome of our analysis is a process model revealing two main cognitive processing mechanisms for generating fairness judgments among non-family employees, labelled as *horizontal-social evaluation* (i.e., a rational fairness assessment process) and *vertical-spiritual evaluation* (i.e., a supra-rational fairness assessment process). Our findings indicate that following a salient event, non-family employees combine these two distinct types of fairness evaluation processes, which ultimately affect their fairness perceptions. Counterintuitively, we also discover that, depending on the levels of religiosity among the dominant family coalition and non-family employees, the vertical-spiritual evaluation could affect the horizontal-social evaluation, and ultimately the overall fairness perceptions, to

different extents. This suggests that in the family firm context, non-family employees' fairness perceptions may not only be rationally formed, but also affected by surrounding supra-rational elements, including the religiosity of the dominant family coalition.

Our analysis offers several contributions to theory and practice. First, the evidence presented in this article refines and extends the current understanding of how fairness perceptions are shaped in family firms (Barnett & Kellermanns, 2006; Barnett et al., 2012; Marler et al., 2019). Specifically, we provide a more fine-grained understanding of the specific influence of religion on non-family employees' fairness perceptions by recognising the cognitive mechanisms—such as horizontal-social and vertical-spiritual evaluations—that non-family members use to interpret events. Our article answers the call to explore non-family employees' religiosity (Paterson et al., 2013) by identifying the spiritual evaluation perspective as an additional and critical cognitive process able to shape the levels of fairness perceptions among non-family employees. Second, this article responds to recent calls to consider family firms' heterogeneity in studying their idiosyncratic behaviours in different cultural contexts and religious settings (Discua Cruz, 2014; Howorth et al., 2010; Moores et al., 2019; Paterson et al., 2013; Seaman et al., 2019). As family firms are not a homogeneous group, a better understanding of their differences across cultures can therefore lead to better interpretations of their attitudes and behaviours. Third, by investigating a Muslim family firm in the Middle Eastern region, this ethnographic study enriches our knowledge of religion's role in family firms which is thus far dominated by studies exploring western and Christian family firms (Discua Cruz, 2014; Paterson et al., 2013). Finally, this ethnographic study provides practical implications for those working in or with family firms, such as owners, managers, and business consultants, as it opens the 'black box' of fairness perceptions among non-family employees to recognise the complex role of religion in family firms.

## **2. Fairness and religion in family firms**

### *2.1. Fairness perceptions*

At its most general level, organisational justice has been defined as a reflection of the general perception of fairness in the workplace (Byrne & Cropanzano, 2001; Greenberg, 1990). Traditionally, organisational behaviour scholars have long studied a set of three dimensions of justice related to decision processes (procedural justice), decision outcomes (distributive justice), and decision-makers (interactional justice) (Bies & Moag, 1986; Colquitt et al., 2001). Although most justice research has exclusively focused on specific dimensions of justice to predict individuals' attitudes and behaviours, some scholars have suggested that individuals forming impressions of fairness make holistic judgments (Greenberg, 2001) instead of focusing on specific dimensions of justice (Lind, 2001; Shapiro, 2001). In other words, although individuals can distinguish between the sources of their fairness experiences when asked (Lind, 2001), victims of unfairness also react to their overall experiences of unfairness (Shapiro, 2001).

In order to judge the fairness of a workplace event, it must be first appraised before it can be judged as 'fair' or 'unfair' (Mikula, 2005). Consequently, scholars have largely studied the individual reactions triggered by workplace events (e.g., Cropanzano et al., 2015; Folger & Cropanzano, 2001; Rupp & Paddock, 2009). Concretely, individuals judge the fairness of a workplace event by comparing the occurrence itself—such as an interpersonal treatment, allocation, or decision process (Cropanzano et al., 2015)—to a set of evaluative criteria (Rupp & Paddock, 2010), often called 'justice rules' (Leventhal, 1980, p. 30). Further, Lau and Wong (2009, p. 281) defined justice rules by arguing that these rules are 'self-based standards, or expectations, derived from individuals' socialised or internalised values, referring to the moral obligations held by individuals in a specific context'. Often described as normative, since they tend to be shared by other people or at least within a given culture

(Shao et al., 2013), these rules act as a sort of ‘benchmark’ or cognitive measuring tool (Cropanzano et al., 2015). Consequently, individuals can evaluate fairness by applying these rules. When events fall within these rules, individuals believe they have been treated fairly. Conversely, when an event fails to meet these justice rules, individuals are likely to experience a sense of unfairness. Finally, the outcome of this automatic or conscious comparison (Van den Bos et al., 2001) systematically follows an assessment process (Rupp & Paddock, 2010); however, the details of these judgments are complex in practice and still under investigation (Cropanzano et al., 2017).

Nonetheless, social psychology research provides some insights in this regard, as fairness perceptions seem to be substantially driven by internalised justice motives (Folger et al., 2005). Historically, scholars have distinguished two broad theoretical frameworks to explain why justice matters to employees: the *instrumental* and *interpersonal* model (e.g., Colquitt & Greenberg, 2001; Folger & Salvador, 2008). On the one hand, the instrumental model suggests that, for individuals with a personal self-concept, unfairness perceptions provoke negative reactions as they create barriers to the achievement of personal goals (Brewer & Gardner, 1996; Tyler, 1994). The instrumental model refers to the desire for psychological control, and is considered to be oriented towards economic or quasi-economic self-interests (Cropanzano et al., 2001). On the other hand, the interpersonal model implies that individuals with a relational self-concept may be mostly sensitive to the fair treatment which displays respect and social inclusion. In this situation, the unfairness threatens social esteem because it signifies exclusion as a valued member of a desirable collective (Tyler & Blader, 2000).

Although each of these two above-mentioned models supports the existence of instrumental and relational concerns, they also involve egocentricity; specifically, they do not provide a complete set of justice motives, nor do they expose a full set of reactions to



(un)fairness (Cropanzano et al., 2003). Consequently, Folger (1998) suggested a third motive for justice by proposing a deontic model of justice (Folger & Glerum, 2015). According to Folger (1998), people are concerned with justice for moral reasons, which encourage them to consider the unfair treatment of others as ethically and morally wrong. Hence, an individual may strongly react to unfairness, even if doing so offers no apparent economic benefit or relational incentive. While the deontic approach appears to be an additional justice motive (Folger et al., 2013), it is also significant, and offers a complementary perspective to the *instrumental* and *interpersonal* approaches in understanding individuals' fairness perceptions. For instance, Colquitt et al. (2006) demonstrated that trait morality partially influences reactions to unfairness. Subsequently, the fairness theory incorporates this central justice motive (Cropanzano et al., 2001; Folger & Cropanzano, 1998) by relying on the concept of counterfactual thinking (Rupp & Paddock, 2009).

## 2.2. *Non-family employees' fairness perceptions in family firms*

Despite scholars' wide recognition of non-family employees' critical role in family firms (Carney, 1998; Chua et al., 2003; Sciascia & Mazzola, 2008), most extant studies dedicated to non-family employees' fairness perceptions are conceptual in nature (Barnett & Kellermanns, 2006; Barnett et al., 2012; Carmon et al., 2010; Carsrud, 2006; Lubatkin et al., 2007; Sieger et al., 2011; Spranger et al., 2012). This relative dearth of empirical research on fairness perceptions among non-family employees in the family firm literature is surprising as several works highlight the negative implications of unfairness perceptions among non-family employees, such as decreased job satisfaction (Sieger et al., 2011) and organisational commitment (Carmon et al., 2010; Gottschalck et al., 2019; Ramos et al., 2014), as well as firm cohesiveness (Minichilli et al., 2010) and performance (Madison et al., 2018).

Among the family firm studies dedicated to fairness, Verbeke and Kano's (2012) work primarily focuses on the differences in treatment between family and non-family members;

they label this unfairness a ‘bifurcation bias’ and argue that when this occurs, family firms may mistreat non-family members or not honour contractual obligations. Similarly, works by Barnett and Kellermanns (2006) suggest that a high level of family influence in the family firm may negatively affect fairness in HR practices, and ultimately influence non-family employees’ fairness perceptions. While one component of the family influence is its culture (Astrachan et al., 2002; Klein et al., 2005)—which describes the values and commitment of family members introduced into the firm—the family firm’s culture may thus increase potential unfairness perceptions among non-family employees (Barnett & Kellermanns, 2006).

Nonetheless, some scholars challenge these arguments by considering that unfairness perceptions among non-family employees may not be as widespread or problematic as assumed (Barnett et al., 2012; Jennings et al., 2018; Kidwell et al., 2012; Lubatkin et al., 2007). For instance, scholars explain that due to the embeddedness of particular family values in the firm, such as those inspired by religion (Abdelgawad & Zahra, 2019; Dieleman & Koning, 2019; Fang et al., 2013; Kavas et al., 2019; Sorenson, 2013), the family firm is more sensitive to non-family employees’ needs (Tabor et al., 2018), especially those with similar religious values and beliefs as the owning family (Fang et al., 2013; Karra et al., 2006). However, to date, knowledge regarding the influence of religious values and beliefs among the family firm’s stakeholders is limited; specifically, we do not know how religion influences fairness perceptions among non-family employees.

### *2.3. A detailed process of fairness perceptions among non-family employees*

According to fairness theory (Folger & Cropanzano, 1998), various events trigger counterfactual reasoning. Specifically, three distinct judgments occur before a situation is interpreted as ‘unfair’, traditionally illustrated as ‘counterfactual’ components: “*would*”, “*could*”, and “*should*” (for further details, see Folger & Cropanzano, 2001). By applying this

perspective in the family firm context, the conceptual works of Barnett and Kellermanns (2006) propose that non-family employees are more likely to perceive unfairness with salient events, such as HR practices, when three conditions are met. First, the “*would*” condition requires that a non-family employee feels that he or she has experienced some harm from a bias resulting from favouritism toward kin, a lack of consistency, and/or inadequate explanations of HR practices. Second, as members of the dominant coalition are likely to be family members, the “*could*” condition requires the non-family employee to determine who, if anyone, is responsible for the practice in question, and whether, the family unit or individual family member had the discretion to act differently. Third, the “*should*” condition refers to the non-family employee’s ethical judgement of the event. For instance, if the problems of nepotism and bias violate the non-family employee’s own ethical and moral principles, he or she will likely conclude that the dominant family coalition “*should*” have acted differently in terms of implementing HR practices. Related to the deontic model of justice, the “*should*” component of the fairness theory has attracted substantial attention (Colquitt, 2006; Cropanzano et al., 2003). Specifically, it has been observed that deontological judgments may use a specific cognitive process with some a priori standards derived from value-based belief systems such as religion (Cropanzano et al., 2003).

While religion is a shared faith-based belief system (Conroy & Emerson, 2004), religiosity can be defined as ‘the extent to which an individual is committed to the religion he or she professes and its teachings, such that the individual’s attitudes and behaviours reflect this commitment’ (Johnson et al., 2001, p. 25). In an organisational context, a firm’s religiosity primarily exists because of the religiosity of the firm’s dominant coalition (Weaver & Agle, 2002), and should critically impact the cognitive processes of firm actors (Burke, 1980; Fang et al., 2013; Stryker & Serpe, 1982). By focusing on religiosity in the family firm context, Fang et al. (2013, p. 2) defined the dominant coalition’s religiosity as ‘its adherence

to the tenets of a specific religion and the extent to which behaviours reflect religious commitment'. While the dominant coalition within a family firm is assumed to be composed of family members (Chua et al., 1999), the dominant coalition's religiosity is typically more homogeneous when compared to non-family firms composed of unrelated firm members (Babchuk et al., 1967; Stewart, 2003). Consequently, firm religiosity should influence the dominant coalition's behaviours and the management of non-family employees (Fang et al., 2013).

However, in spite of scholars' recognition that family firms possess cultural features that may more readily facilitate the expression of religious values than in non-family firms (Paterson et al., 2013), we are unaware of research that considers the role of religion in non-family employees' fairness perceptions. More precisely, although non-family employees face a highly complex environment that generates more unique cognitive demands than employees working in non-family firms (Mitchell et al., 2003), we know very little about the detailed cognitive processing mechanisms for generating fairness judgments (Cropanzano et al., 2003).

In summary, extant research recognises that family firms offer ample space for religious beliefs to affect family, business, and individual decisions (Astrachan et al., 2020; Discua Cruz, 2014; Kellermanns, 2013). Meanwhile, individuals with a greater degree of religiosity are expected to have higher ethical and moral standards and behaviours (Fang et al., 2013). However, the question of how religion may influence non-family employees' fairness perceptions is not fully answered in the family business literature. Barnett and Kellermanns (2006) offer a preliminary step towards closing this gap, as they conceptually proposed that the family influence and HR practices may directly affect non-family employees' fairness perceptions. Nonetheless, extant literature does not identify the potential cognitive processes that explain how these relationships may exist. Consequently, an

important challenge for the development of a theory of the family firm involves understanding and predicting the cognitive assessment process of non-family employees' fairness perceptions, and especially by considering religion. Hence, this study aims to answer the following research question: *How does family firm members' religiosity affect the way non-family employees form fairness perceptions?*

### **3. Method**

While family business studies have widely underutilised ethnography (Fletcher & Adiguna, 2020; Smith, 2015), our single ethnographic study conducted on a Middle Eastern family firm over a six-year period allowed us to reveal how religiosity influences fairness perceptions. Since prolonged fieldwork 'is the single most potent tactic that ethnographers have to enhance veracity' (Stewart, 1998, p. 20), the ethnographer's extended 'behind the scenes' presence in the field (Stewart, 2014, p. 15) allowed us to capture religious and interpersonal subtleties. Being the ethnographer-manager and son-in-law of the founder-owner enabled to explore the critical yet underexplored complex tacit fairness assessment processes of non-family employees in the understudied Middle-Eastern context.

#### *3.1. The case's religious context*

More than 90% of businesses in the Middle East and North Africa (MENA) region are family-owned (Basly, 2017), and therefore, they represent the locomotive that drives this region's development. Although the MENA region comprises only 20% of the total Muslim population worldwide, this region is predominantly composed of Muslim-majority countries, including Egypt and the UAE (Basco, 2017). Nonetheless, compared to other major religions such as Christianity (Discua Cruz, 2014), a dearth of research exists on family firms from an Islamic perspective while several studies have revealed the influence of Islam on management practices (Branine & Pollard, 2010; Elamin & Tlaiss, 2015).

Islam considers human beings as equals, and the interactions between individuals should be based on trust (*Amana*), equity (*Quist*) and justice (*Adl*). This monotheist religion has the particularity of being a comprehensive way of life impacting both social and economic activities. Given that firm employees do not work in a vacuum, and will bring their religious beliefs with them to work, Muslims' behaviours are guided by the timeless moral and ethical values outlined in the *Qur'an* (Holy Book) and *Hadeeth* (the teachings of the Prophet Muhammad) that are 'the foundations of personal and organisational conduct' (Ali, 2010, p. 693). Therefore, while Islamic values are frequently noted as both work and management principles (Branine & Pollard, 2010), Islam should also impact the work-related values of family firms' Muslim members.

We can mention some work-related ethical values that should, in principle, guide Muslim workers, including loyalty (*Wafaa*) and truthfulness (*Sidq*). In other words, Islam strictly forbids lying or cheating under any circumstances. While all Muslim workers should adhere to Islamic values in the workplace, leaders or managers must ensure that employees are not exploited, overburdened with work, or paid unfair wages (Mawardi, 1996). Indeed, Muslims are strongly encouraged to be fair. Several verses in the *Qur'an* prove it, including: 'do not distort justice and do injustice' (04: 135), and 'God loves those who act justly and do justice with others' (05: 42). To be unjust means disobeying God, who condemns both injustice and the person who has been unjust. Consequently, as Elamin and Tlaiss (2015) point out, Islam incites managers to demonstrate both distributive (outcomes), procedural (decision processes), and interactive (treatment) justice in dealing with subordinates.

### 3.2. Sampling

The case selected for this study involves ASTO. For ethical and confidentiality reasons, the identifying details of the family firm and its members have been changed. In this article, we use ASTO as a pseudonym for this Egyptian family-owned firm, founded in 1981

in the UAE by Mr. Gaby, his brothers and his sisters. Since 2006, Mr. Gaby, who owns 100% of the firm, has been managing the restaurant chain with the help of his eldest son, Mathiew. When the fieldwork began at the end of 2011, the ASTO restaurant chain included five restaurant branches and realized an average annual turnover between US \$4 and 5 million. At the time data was collected, ASTO employed between 120 and 180 non-family employees, the quasi-totality of them were Egyptian nationals recruited directly from Egypt. The year 2011 also marked the start of the first managerial succession process since the founder-owner, Mr. Gaby, sought to withdraw from the family business to retire. For the first time, the founder's two daughters (Rachel and Bianca) and two sons-in-law (Tonio and the ethnographer) directly entered the family business in top management positions (Table 1 and Figure 1). The ethnographer occupied the position of internal consultant, due to his international management consulting background, and was in charge of improving the operational business processes (IT, HR, production, sales, marketing). After a few weeks in the family firm, the ethnographer decided to start a PhD program in order to gain a better understanding of organisational behaviours in the family business field.

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Given our limited understanding of family firms outside the west, including the Middle East, due to a lack of relevant, valuable data and observations (Basly, 2017), ASTO presents a rare research opportunity on fairness perceptions among non-family employees. We chose to study ASTO for two reasons. First, both the dominant coalition composed of family owner-managers and most non-family employees declare themselves as Muslims and respect Islamic principles to different extents. Further, the ethnographer could observe several explicit behaviours among the dominant coalition and non-family employees demonstrating

their respect of the mandatory pillars of Islam, including: the five daily prayers, fasting during the month of Ramadan, and pilgrimage to Mecca in Saudi Arabia. The homogeneous religious beliefs found among the dominant coalition (Babchuk et al., 1967; Arregle et al., 2007) and most of the non-family employees in this family firm provide a suitable setting to observe the impacts of religion on family and non-family members' daily interactions.

Second, ASTO provided the ethnographer a high level of access to the firm. His privileged position in the family firm as a family-in-law manager offered him quasi-unrestricted access to the family business' life. In this ethnographic study, he performed a participant observation inside the organisation (Gold, 1958; Adler & Adler, 1987). Several researchers have already demonstrated the opportunistic use of pre-existing connections, such as consultants or family members, which allow insiders to study their own firms (Glover, 2014; Jackson, 2004; Jacobs-Huey, 2002; Learned, 1995).

### *3.3. Data collection*

The majority of the data were collected via ethnography. This approach can be defined as the description and interpretation of a cultural or social group or system (Creswell, 1998). With prolonged observations in natural settings, the ethnographer primarily focused on the language, behaviours, and interactions between the dominant family coalition and non-family employees. While secondary sources such as newspapers and internal documents were used to better understand the ASTO family firm's background, our primary data sources were mainly collected through participant observations (Tables 2 and 3).

Although some preliminary formal interviews were organised at the very beginning of the study, they have been interrupted six months later. As a recently hired family-in-law manager, it was difficult for the ethnographer to obtain unbiased data through formal interviews due to fear and mistrust from interviewees since the ethnographer was sometimes perceived as not being a real non-family member. The ethnographer also noticed that in such



a socio-cultural context dominated by informal relationships, the formal character of these interviews was not the best way to make the interviewees feel comfortable. Besides, at the end of this first preliminary phase, for ethical reasons, the research project was officially disclosed to all the controlling family members during a family dinner resulting in a great interest from the family members. Mr. Gaby was particularly interested by the potential findings related to organisational behaviours in the family firm. He ironically said the following to the ethnographer: *“I am not sure that you will find anything interesting in this firm, but why not, let’s go!”*

Following this preliminary phase, much of the data were collected through participant observations as recommended for ethnographic research (Yin, 2009). Hence, the ethnographer collected data from participant observations, informal interviews, and conversations thanks to his various interactions with actors within the organisation. Indeed, over time, the integration of the ethnographer in the family-owned restaurant chain allowed him to establish strong trust relationships with most of the non-family employees to the extent that we noticed some non-family employees did not hesitate to overtly criticise some controlling family members during discussions. Unlike the other family members, his daily work as an internal organisational consultant made him predominantly work with non-family employees while visiting the different branches of the restaurant chain. With his laptop, he usually sat at a table in the customer dining area to better observe the activities in the restaurant branches. Moreover, rather than organising the business meetings with non-family employees in the office of the main branch, he preferred to meet them directly in the branches, often in one corner of the dining area. Consequently, his in-law status, the fact that he was not an Egyptian national, and his daily presence in the branches allowed him to be progressively perceived by the research participants as a (semi) non-family employee which particularly enabled him to better empathize with the non-family employees.

The ethnographer recorded all the participant observations and informal exchanges in his field diary. For instance, while surrounded by family and/or non-family members, the ethnographer used a specific Word document as a field diary (Goffman, 2017) to record his observations, feelings, impressions, and interpretations. As a participant observer, the ethnographer could discover first-hand how the family firm members' religiosity influenced fairness perceptions among non-family employees. Finally, while the ASTO family firm's members primarily speak in Arabic, the ethnographer's bilingual capacity allowed him to translate the observed conversations into English. The research process was completed six years later upon reaching a 'theoretical saturation' at which the data became repetitive and no new insights were generated (Glaser & Strauss, 2017).

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#### *3.4. Data analysis and research validity*

We analysed the above-noted ethnographic data using a grounded theory approach, which is illustrated by an iterative process of data collection and analysis through which theoretical insights are developed by continually comparing emerging insights with previously established findings (Glaser & Strauss, 2017). Although many software programs can achieve this type of analysis, we chose to manually perform an inductive analysis of the data, including the categorisation and coding of different pieces of data, and applying an interpretative approach. Figure 2 displays the structure and ordering of the data, from explicit, first-order categories as pronounced by informants, to more general researcher-induced second-order themes, and to aggregate dimensions. Data were separately analysed by each of the paper's three authors, then systematically debated until an agreement was reached as to whether the evidence was sufficient to substantively justify the existence of the first- and

second-order categories as well as the aggregate dimensions. In order to respond to our research question, our field notes were iteratively analysed through three key steps (Miles & Huberman, 1994).

Regarding the first step, we began by identifying and grouping initial concepts within the data. By identifying comparable observations and common statements, we formed provisional categories and first-order codes (open coding). Some categories were either abandoned or revised because the data did not fit well into a category. The second step consisted of creating second-order themes by integrating first-order codes for each group. Consequently, the first-order data were collapsed into different sets of themes. For instance, we first coded statements that reflect various situations related to God's recommendations about fairness, which led us to observe that non-family members place a strong importance on Islamic values and beliefs. We used the "*intrapersonal religiosity*" theme to capture these elements. Finally, we further condensed the data by assembling similar themes into aggregate dimensions. For instance, we included second-order themes such as '*intrapersonal religiosity*' and '*comparison with the dominant coalition's religiosity*', under an aggregate dimension that we called '*vertical-spiritual evaluation*'. Due to their direct relevance to fairness judgements, the second-order themes and aggregate dimensions were the basis for the subsequent grounded theory of non-family employees' fairness perceptions in family firms.

At the end of the research process, we disclosed our research findings to the family and non-family members. During one month, this study's participants were invited to discuss the primary findings with the ethnographer to freely comment on the research observations, descriptions, and assertions. Concretely, the main findings of the thesis, including the results introduced in this article, have been presented to the family members. Similarly, non-family employees have been individually met, or contacted by phone for those who had left the company, in order to openly discuss the main findings. The central objective of these

debriefing sessions was to reassure the non-family employees about the value of their contribution and to stimulate reflexions among the controlling family members about organisational issues such as fairness perceptions. It was also the opportunity for us to challenge and confirm each other's perspectives by taking notes of actors' reactions and comments. This validation process was concluded once we achieved a form of empirical saturation in which actors expressed frequently recurring thoughts.

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Insert Figure 2 around here

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#### **4. Findings and propositions**

Two primary findings emerged after examining our ethnographic data. First, non-family employees may be confronted on a daily basis by several unfavourable and unexpected events related to the family firm's HR practices. These can trigger processes to evaluate fairness, in which non-family employees assess events in an attempt to make fairness judgments. Specifically, two different types of fairness evaluation processes were identified—the *horizontal-social* and *vertical-spiritual evaluations*—based on significant differences in terms of the setting, nature, norms and means of evaluation. Second, depending on the family firm members' religiosity, vertical-spiritual evaluations may affect horizontal-social evaluations in not only interpreting the events that occur in family firms, but also adjusting fairness perceptions among non-family employees.

In describing these processes, we introduce the fairness evaluation processes through which any unfavourable and/or unexpected event is evaluated and interpreted, as well as their implications for non-family employees' fairness perceptions. We interpret the various concepts and their relationships in our data by proposing a theoretical model that incorporates the findings of this ethnographic study. This also assists us in building a more suitable theory regarding the formation of fairness perceptions among non-family employees.

#### 4.1. Horizontal-social and vertical-spiritual evaluation processes

Based on the analysis of the empirical data, our results revealed the means by which non-family employees interpret events in daily organisational life. Specifically, we identified cognitive processing mechanisms used in generating fairness judgments. Our data revealed that various events—which are often unfavourable and unexpected—can trigger fairness evaluation processes among non-family employees. We observed that these individuals actively and explicitly interpret these events by relying on counterfactual thinking. More precisely, we observed two major stages that distinguish the practical patterns through which non-family employees evaluate these events (Figure 2): the reasoning approach (i.e., how they rationally interpret the event) and the spiritual approach (i.e., how they interpret the event based on their religion).

The *reasoning approach* was observed when non-family employees subjectively and rationally interpreted events according to their own socio-economic situation. From this perspective, non-family employees evaluate events by considering the event's consequences on their own personal lives. For instance, an episode was observed involving Ahmed, an Egyptian non-family employee recently recruited to work at the grill. Through observations and exchanges with him, we found him to be a professional devoted to his work. In contrast, we noticed that the subject of remuneration was often raised in these conversations: *'I asked for an increase in my salary but without success so far; I arrived only recently at ASTO, I know that, but I have three children and life is difficult in Egypt'*, (Ahmed, non-family employee, informal discussion). To illustrate another episode, Abou Kalam is a busboy who had been asked to assume additional tasks, and he responded: *'Given the working conditions, the salary is no longer sufficient for me'* (Abou Kalam, non-family employee, informal discussion). In another example, the owning family reproached a cashier-manager for his lack of commitment. To justify his changing behaviour, he said: *'Listen, if you want me to give you*

*the reasons behind my demotivation, frankly, I'll tell you: my low salary, my housing with my family is not fully supported and so, I do not want to create problems when I manage my teams'* (Hany, non-family cashier-manager, informal discussion).

Similarly, in terms of *spiritual approach*, we sometimes observed—but not always—that the reasoning approach was also combined with religious interpretations of the events by drawing on supra-rational feelings. In other words, non-family employees sought to evaluate an event's fairness according to their own religious values, beliefs, and practices. Generally, this was observed throughout individuals' reactions, which were often oriented towards issues related to '*haram*' (what is forbidden by God) and '*halal*' (what is authorised by God). For instance, when the ethnographer explained to Ahmed that the number of years of experience in the company is strongly considered in the salary evaluation, Ahmed replied: '*Everyone sees things as he wishes, but for my part, I also think about my interests and my rights (...). For me, it's not acceptable, and it is haram [forbidden in Islam]*' (Ahmed, non-family employee, informal discussion). We can analyse this illustrative quote to interpret this non-family employee's feelings, as he is claiming not only an individual right to increase his salary, but also his religious right as a Muslim to be fairly treated. Consequently, we propose the following:

**Proposition 1:** When a non-family employee evaluates an event, the fairness evaluation processes involve situational reasoning and intrapersonal religiosity.

Beyond identifying the previously mentioned stages through which non-family employees judge unfavourable and/or unexpected events according to subjective and personal criteria—or specifically, situational reasoning and intrapersonal religiosity—the most compelling part of our evidence involves the emergence of a possible combination of two distinct types of fairness evaluation processes: *horizontal-social* and *vertical-spiritual*

*evaluations*. Differences between these two types of fairness evaluation processes were clearly observed in terms of their settings, nature, norms and means of evaluation.

First, following the situational reasoning stage during the *horizontal-social evaluation* process, we observed an additional fairness evaluation stage, which occurs when non-family employees compare their personal situations with other colleagues in similar situations; Ahmed illustrates this point as follows: *'How can I accept earning less than other grill men? I have to get my due! I am fed up with having to fight for my right'* (Ahmed, non-family employee, informal discussion). Similar words were expressed by Muftah, who discovered that his colleague, Ismael—who holds the same position—recently received a higher remuneration than him: *'Do not think I'm jealous of Ismael—no! But why did you increase his salary and not mine? I arrived first at ASTO (...). The first one (...). I worked hard (...), as God is my witness'* (Muftah, non-family employee, informal discussion). This point was validated by Otb, a kitchen chef who has been working for more than twenty years at ASTO. He did not hesitate to criticise HR policies: *'I find that your way of fixing wages is completely incoherent (...). There is favouritism (...) [and] the amounts of wages are nonsense. How can you explain to me that a person with nearly twenty years of experience can earn almost the same salary as an employee with two or three years of experience? It is not logical! That's why there are so many resignations, because [employees] do not accept this unfair situation'* (Otb, non-family manager, informal discussion). Similarly, Muftah's supervisor noted that *'Muftah does not understand that maintenance workers, who have a lot less seniority than him, can see their salaries reach almost the same level as him, while the quality of their work is not as good'* (Atef, non-family employee, informal discussion). Consequently, by performing a horizontal-social evaluation, non-family employees interpret the events not only according to their own personal situations, but also by comparing themselves to other colleagues in similar situations. Hence, our data demonstrates that non-family employees'

horizontal-social evaluations compel them to exclusively adopt rational reasoning and primarily rely on socio-economic standards.

In contrast, our data also indicates that during the *vertical-spiritual evaluation* process, non-family employees exclusively display supra-rational motivations and primarily rely on ethico-religious standards. Specifically, after the intrapersonal religiosity stage of the vertical-spiritual evaluation process, we observed an additional fairness evaluation stage in which non-family employees compare their intrapersonal religiosity with that of the dominant coalition. In this stage, we argue that non-family employees verify whether the dominant coalition's religiosity sufficiently aligns with their own. In doing so, non-family employees attempt to legitimise and strengthen the weight of their own religious values, beliefs, and practices as objective criteria to confirm their own judgment of an event's fairness.

For instance, a non-family employee arguing with the ethnographer about his remuneration said: *'I asked for an increase in my salary several months ago, and I did not say anything thus far, but now I need a raise! You are a respectable person who fears God like me, I know it; I see you every day; please talk about this unfairness to the other family members. May the Lord bless you and protect you'* (Samir, non-family manager, informal discussion). Similarly, the ethnographer witnessed a discussion between Tonio and a non-family employee complaining about financial sanctions: *'It is haram, I swear to God! Look, I respect you and all the management; you are people who believe in God, you pray, [and] you are respectable people, and so you know very well that it is unfair!'* (Hamad, non-family employee, informal discussion).

Beyond the religious influence on non-family employees, these quotes illustrate such employees' capability to examine the owning family's acts, and particularly to recognise the dominant coalition's religiosity. This influence of religious beliefs on the dominant coalition was observed, for instance, when a family manager and non-family employee did not speak to



each other after a dispute. This compelled Bianca to ask Tonio to find a solution: *'Tonio, please forgive him and go talk to him; what you are doing is haram, [and] I feel he is very upset by the situation (...). You have to talk to him; as a Muslim you cannot be angry against your brother for more than three days, you know that'* (Bianca talking to Tonio during a family meeting). Subsequently, Tonio agreed to have a discussion with the non-family employee.

Similarly, the ethnographer attended several discussions among family managers concerning the type of sanctions to be adopted against employees at fault. The ethnographer experienced a certain apprehension among family managers in sanctioning employees who committed professional misconduct due to the former's concern with unfairness in their decision-making. In fact, many expressions were observed that reflect the influence of Islamic beliefs, especially during meetings: *'It's haram to puncture his salary (...) and imagine that he makes invocations against you? (...) And frankly, we must be careful; God forgives, so who are we to punish?'* (Rachel and Bianca talking to family members during a family meeting). These religious influences are reflected in the actions of family managers as well as the founder-owner. For instance, we observed that every year during the holy month of Ramadan and in line with Mr. Gaby's habits, family managers asked each cashier-manager to prepare a meal tray every evening to feed a dozen poor people in the streets adjacent to the restaurant's branches. This form of donation is called *Sadaqa* in Islam, and is quite important for the family who has keenly fed the poor for more than thirty years, especially during Ramadan. Moreover, we noticed that although non-family employees were authorised only to eat from specific menu for free, they could eat whatever they wanted for free during the month of Ramadan. Similarly, family managers provided a monetary bonus to all employees at the end of Ramadan. These acts symbolise the sharing spirit that characterises this holy month. Additionally, as a Muslim, Mr. Gaby also considered his company's social role

towards Egyptian youth. Thus, most of the employees recruited by the restaurant chain come from Egypt's poorest populations. According to his daughter, Bianca: '*As God demands to help others in need, my father believes that the restaurants must also help Egyptian families get out of poverty thanks to jobs offered to disadvantaged Egyptian jobseekers*' (Bianca, family manager, informal discussion).

Finally, non-family employees who perform vertical-spiritual evaluations adopt their intrapersonal religiosity as justice rules, then verify this religiosity's alignment with that of the dominant coalition to reinforce their own judgements. In summary, Table 4 presents the differences that emerged between the *horizontal-social* and *vertical-spiritual* evaluations. Collectively, this body of evidence reveals that fairness perceptions among non-family employees may result from the *horizontal-social* and *vertical-spiritual* evaluations as two distinct types of evaluation processes. Thus, our analysis provides the following insights into the idiosyncrasies of fairness perception processes in family firms:

**Proposition 2:** During the horizontal-social evaluation process, the non-family employee's fairness evaluation of an event is achieved based on comparisons between his/her situation and other similar situations.

**Proposition 3:** During the vertical-spiritual evaluation process, the non-family employee's fairness evaluation of an event is achieved by comparing his/her religiosity with that of the dominant coalition.

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Insert Table 4 around here

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In summary, the evidence presented thus far explains how fairness perceptions enter family firm members' agendas by noting the two distinct evaluation processes through which unfavourable, unexpected events are interpreted from social and spiritual perspectives. Thus, salient events are converted into consistent interpretations as applied by non-family

employees. The next section further explores the consequences of these evaluation processes on fairness perceptions.

#### *4.2. Non-family employees' fairness perception levels*

While non-family employees must first appraise salient events according to their justice rules before they can be judged as 'fair' (Mikula, 2005), the differences between horizontal-social and vertical-spiritual evaluation processes provide relevant implications for organisational outcomes. Thus, understanding how these evaluation processes combine to shape non-family employees' fairness perceptions is critical for both management scholars and practitioners.

On the one hand, our data demonstrates that when horizontal-social evaluation was not followed by vertical-spiritual evaluation, the former was the primary means used to adjust fairness perceptions. We observed this situation particularly with non-family employees who displayed little to no religiosity in the workplace. For instance, the following field note illustrates this aspect: *'September 18, 2015. (...) Non-family employees seem to be divided into two main categories. Similar to the family members, some of the non-family employees seem to be characterised by moderate religiosity. For instance, I was discussing this issue with Moonguy, a non-family employee, who said, "I thank God every day for giving me what I have; I cannot complain". The other category displays little to no evidence of religiosity. Moonguy describes them as follows: "When they negotiate, they only think about money, money, money! They don't care about what our religion says, in that [we] ask to be satisfied with what we already have and what God gave us".'* Additionally, it was insightful to observe the behaviours of non-family employees who did not follow the same religion as the dominant coalition. For instance, among the few Christian non-family employees, we observed Fran and Cyril, who primarily used a socio-economic perspective when evaluating events: *'The salary is not sufficient compared to the workload requested; it is unfair. I am not okay (...); I'm not well (...); you have to increase my salary. The contract mentioned "cleaner", so I'm not supposed to bring plates to cooks, you know;*

*we are badly treated by our colleagues as well as some managers; they treat us badly, and we have too much work to do*' (Fran and Cyril, non-family employees, informal discussions).

On the other hand, and after the vertical-spiritual evaluation was observed following the horizontal-social evaluation, non-family employees expressed their fairness perceptions by emphasizing religious values and beliefs to support their judgements. For instance, after a family manager asked the baker to assume additional tasks, he said: *'With all I have to do already, you add other things for me to do? <sup>(1)</sup> Contrary to other activities in the company where the teams include at least two people, I alone make the bread <sup>(2)</sup>, [and] it is really difficult for me to manage (...) Hasbunallahu Wa Ni'm Al Wakeel <sup>(3)</sup> (God is sufficient for me and He is the best disposer of affairs)*' (Nagar, non-family employee, observation). This quote readily illustrates that <sup>(1)</sup> the non-family employee evaluates the direct consequences of this unfavourable decision in his own situation, then <sup>(2)</sup> compares himself with other colleagues who seem to be in a better situation, and finally <sup>(3)</sup> adopts a religious perspective by employing an expression often used when Muslim people are facing strong difficulties or injustice from authorities. By ostensibly voicing this expression to a figure of authority, the employee believes this unfair situation will not go unpunished, as God is fair. Similarly, a situation occurred in which a non-family employee had not yet taken his annual vacation because the family managers had not found someone to replace him; the family managers often heard from non-family employees the following comments: *'Let him go, as this is his right <sup>(1)</sup>, many other employees already took their vacations <sup>(2)</sup> (...) it is inappropriate, it's haram!'* <sup>(3)</sup>. This quote also illustrates non-family employees' capacity to perform a horizontal-social evaluation by: <sup>(1)</sup> examining the direct consequences on the non-family employee who could not legitimately take his vacation; <sup>(2)</sup> making comparisons with other colleagues who have not been prevented from taking their vacation; and finally, <sup>(3)</sup> performing a religious evaluation to emphasize the inappropriate character of such decision in Islam

through the use of symbolic expressions—such as ‘*It’s haram*’—to recall the gravity of this unfair decision for God. Hence, while annual holidays are assumed as purely legal, the religiosity in this type of quote is reminiscent of the religious prism in which non-family employees can be positioned. By adding a spiritual perspective to the horizontal-social evaluation, non-family employees tend to focus on the gravity of an event, and thus they demonstrate, from a religious perspective, the extreme gravity of decisions perceived as unfair in addition to highlighting their social unfairness.

In summary, the possible combination of horizontal-social and vertical-spiritual evaluations results in adjustments of fairness perceptions among non-family employees, as observed in terms of their conformation to socio-economic and ethico-religious standards (Figure 2). During the horizontal-social evaluation, unfavourable and unexpected events are systematically evaluated according to subjective and professional criteria. In contrast, the vertical-spiritual evaluation, which is performed according to religious criteria, acts as a possible additional evaluation process capable of affecting the results of horizontal-social evaluations. Consequently, while the levels of fairness perceptions among non-family employees primarily rely on the results of the horizontal-social evaluation, the vertical-spiritual evaluation could accentuate this primary evaluation depending on the actors’ religiosity within the family firm. Thus, we propose the following:

**Proposition 4:** When a horizontal-social evaluation result in a perception of unfairness, a vertical-spiritual evaluation accentuates this perception to different extents.

The evidence presented thus far has not only led us to observe the accentuation effects of vertical-spiritual evaluation, but also revealed several important details on how the level of religiosity impacts the fairness perceptions to different extents. Specifically, we observe different impacts of vertical-spiritual evaluation on fairness perceptions, depending on the religiosity of both non-family employees and the dominant coalition. This leads us to the

interpretation that the vertical-spiritual evaluation has weak impacts on fairness perceptions when non-family employees believe in another religion than Islam or display a relatively lower religiosity than the dominant coalition. The following excerpts from the ethnographer's field notes provide some empirical vignettes to illustrate this point:

1. *'May 19, 2016. I was in the main branch this morning and learned that Moatez did not come to work today because he went to a night club last night. I asked Atef, his supervisor, to call him to ask him to come in immediately; 30 minutes later, Moatez arrived in the restaurant. He seemed tired, with multiple bruises on his face. He told me that yesterday night he fought three men after leaving the club. Shocked, I did not ask him more questions and told him to go see a doctor and come back tomorrow to work. When he left, Atef came to me and told me, "This guy goes to the club every weekend and drinks; he does not pray, of course, and makes problems with people outside. I am not surprised by what's happened to him"!'*
2. *'June 5, 2016. I am seated at a table in Touba branch. In front of me, Rachel is drinking a cup of tea and keeping an eye on customers during lunch time. Suddenly, Moatez comes up to us; he is young and in his 30s, working in the falafel section. He said, "Why did you cut three days of my salary?" Rachel replied, "Because you did not come to work as Alex asked you to, two weeks ago." He said, "But I could not come; I was tired." She said, "Okay, but you did not give me a doctor's note." He retorted, "Are you serious? You know I need this money, and when anyone else here is absent due to illness, you never ask them for a doctor's note!" Rachel stopped the discussion and asked him to go back to work.'*

In contrast, when Muslim non-family employees and the dominant coalition display relatively similar levels of religiosity, the vertical-spiritual evaluation significantly impacts their fairness perceptions (see Table 5). In what follows, we discuss some empirical vignettes from field notes that illustrate this impact on fairness perceptions among non-family employees:

1. *'May 3, 2016. I observe a discussion in the office between Bianca and Otb, the kitchen chef. Bianca: "(...) But you have already received a raise recently".'*

*Otb: "Who told you that? No, this is not totally true. After three years without a raise, I was only given a small raise".*

*Bianca: "So, you have received a raise, you see".*

*Otb: "How can you tell me that"? (He is disappointed.) "Pray upon the prophet, please. Look, I always thank God for what Mr. Gaby did for me and make powerful prayers for his success because he gave me everything I need, for me and my family. But for God's sake, you cannot consider this raise as fair. Not you"!'*

2. *'August 14, 2013. I am conversing with some non-family employees in the kitchen, and we talk about the latest employee who has left the company. I am asking about this specialty seafood chef who suddenly resigned, as he never complained about his salary to family managers. Hassan, a non-family employee, replied: "You know, he did not complain to you or the other family members because he trusted you, he considered you as a pious family". He added, "He believed and hoped that he would finally receive a raise, but he did not. So, he decided to leave because, as he told me, he considered that what's happening to him is haram and God will surely give him something better in another company".'*

Therefore, horizontal-social and vertical-spiritual evaluations emerge as two parallel yet distinct processes characterising non-family employees' fairness perceptions with different levels of impact on the overall fairness perceptions. Consequently, we suggest the following propositions:

- P4a:** The higher the discrepancy in religiosity between the non-family employee and the dominant coalition, the lower the vertical-spiritual evaluation's impact on the non-family employee's unfairness perceptions.
- P4b:** The higher the non-family employee's and dominant coalition's religiosities, the greater the vertical-spiritual evaluation's impact on the non-family employee's unfairness perceptions.
- P4c:** The lower the non-family employee's and dominant coalition's religiosities, the greater the horizontal-social evaluation's impact on the non-family employee's unfairness perceptions.

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Insert Table 5 around here

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Based on the body of evidence and the propositions developed so far, in the following section, we synthesise our findings to offer a complete picture of the fairness assessment process among non-family employees.

#### *4.3 Toward a cognitive processing view of fairness assessment among non-family employees*

To help understand the various concepts and their relationships in our ethnographic data, we built Figure 3, which provides a summary and generalisation of our main findings, and graphically displays the propositions that emerged from our empirical analysis.

Echoing the assumptions of individual reactions triggered by unfavourable and unanticipated workplace events (Folger & Cropanzano, 2001), our model describes the sensitivity of the individuals to these kinds of events, particularly in the family business context where the family influence may affect the non-family employees' fairness perceptions (Barnett and Kellermanns, 2006). To build these perceptions, non-family employees start to evaluate a salient event through a *horizontal-social evaluation* which would be the primary outcome of their overall fairness perception. However, depending on the religiosity levels of both the controlling family and non-family members, a *vertical spiritual evaluation* is also formed, thus affecting the overall fairness perception. Finally, our model highlights the decisive role of HR practices as salient events able to trigger cognitive processing mechanisms among non-family employees, particularly in faith-led family firms. When salient events such as unfavourable HR practices occur, non-family employees trigger subjectively (P1), then objectively rational (P2), and supra-rational fairness assessment processes (P3). Similar to Folger and Cropanzano's (2001) classic description of counterfactual reasoning, the combination of these assessments results in the adjustment of an overall fairness perception (P4). In sum, our analysis illuminates how the non-family



employees' fairness perceptions are formed through a unique cognitive process by combining rational and supra-rational interpretations.

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Insert Figure 3 around here

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## **5. Conclusion**

### *5.1. Discussion*

A relative dearth of empirical research pertaining to justice in the family firm literature has led our article to answer the call by Marler et al. (2019) to further investigate fairness perceptions—and more specifically, how fairness perceptions develop among non-family employees. By using mainstream organizational theories in the family business context, such as fairness theory, our research was motivated by the desire to interpret how religiosity within a family firm affects fairness perceptions among non-family employees. By adopting an ethnographic approach to better understand the phenomenon under study, our findings provide a detailed explanation of the fairness judgment mechanisms developed by non-family employees following salient events. In this sense, our article connects with other works on justice theories (Cropanzano et al., 2015) by arguing that non-family employees' justice rules are both socially and spiritually constructed, and that both of these frame fairness perceptions. Counterintuitively, our findings reveal that depending on the religiosity levels of both the dominant family coalition and non-family employees, a vertical-spiritual evaluation accentuates the social-horizontal evaluation, and subsequently non-family employees' overall fairness perceptions.

Additionally, this article represents a step forward in understanding complex fairness judgment processes underlying rational motivations (Colquitt & Greenberg, 2001; Folger & Salvador, 2008) and extends other studies' positions regarding the family influence and non-family employees' fairness perceptions by considering the supra-rational motivations among

non-family employees (Barnett & Kellermanns, 2006). Specifically, we engage literature on fairness theory to highlight the mechanisms underpinning the interplay between the “*would*”, “*could*”, and “*should*” judgments of non-family employees following salient events (Folger & Cropanzano, 2001). As the “*would*” and “*could*” judgments interpret situations as socially unfair, we argue that these specific judgments primarily result from horizontal-social evaluations. Moreover, the “*should*” judgment interprets a situation as violating some moral code that can be rooted in religion, for instance. Therefore, we argue that this specific judgment is at least partially an outcome of vertical-spiritual evaluations. The following section elaborates on the theoretical and practical contributions, limitations, and future research directions suggested by these findings.

### *5.2. Theoretical contributions*

This study offers three key contributions to both organisational justice and family business literature. First, while the extant family business research has been built on the assumption that non-family employees’ fairness perceptions may be affected by the family influence and the family firm’s HR practices (Barnett & Kellermanns, 2006), our ethnographic study extends these works by describing how two distinct evaluation processes shape non-family employees’ fairness perceptions. Our research better depicts the critical role of a multilevel evaluation process model operating both socially and spiritually. Consequently, our findings disclose the complexity of firm religiosity (Fang et al., 2013), adding evidence and new notions to better understand how socio-economic criteria and religious values and beliefs can collectively influence fairness perceptions in the family firm context. While the reasoning approach seems to reflect the instrumental and interpersonal motives for fairness (Tyler, 1994; Tyler & Blader, 2000) as illustrated by the *horizontal-social evaluation*, we also propose that non-family employees may make critical

deontological judgments through a specific cognitive process (Cropanzano, 2003) as illustrated by the *vertical-spiritual evaluation*.

Therefore, while several scholars have recently called for a refocus of research on fairness perceptions' subjectivity (Barclay et al., 2017), our study also contributes to mainstream organisational justice literature by proposing a detailed cognitive model describing how organisational actors apply justice rules to make fairness assessments. Specifically, our propositions shift the focus of prior research on fairness perceptions (Barnett & Kellermanns, 2006; Cropanzano et al., 2001; Folger & Cropanzano, 1998) towards a multilevel perspective; this particularly captures the complex influence of religious values and beliefs on fairness perceptions among family firm actors. Hence, while the dominant coalition's religiosity influences both human behaviours and attitudes (Fang et al., 2013; Weaver & Agle, 2002), our study demonstrates that non-family employees' religiosity also matters, and thus should not be ignored when analysing fairness in family firms.

Second, we advance knowledge on the sources of heterogeneity among family firms by highlighting the active role of religion. As the variations among family firms originate with the coexistence of myriad values (Dyer, 2003), our findings identify the dominant family coalition's religiosity as a critical source of heterogeneity in family firm behaviours. Thus, our ethnographic study's findings are a response to calls to explore family firms' heterogeneity in studying the forces underlying family values (Howorth et al., 2010), such as religious values and beliefs (Chatters & Taylor, 2005). Our research also responds to the recent call to investigate the religious values and beliefs among non-family employees, which have been neglected thus far (Paterson et al., 2013). While the owning family's values influence both the family firm's strategies and the management of daily operations (Habbershon & Pistrui, 2002; Dyer, 2003), our study's findings suggest some recurring patterns that illuminate how Islamic-based values and beliefs—as a primary source of family

values—influence fairness perceptions among non-family employees in a Middle Eastern family firm. Given this perspective, our research also enriches our understanding of religiosity in family firms by combining the religious perspectives of both family and non-family members. Thus, we challenge prior research on family business heterogeneity, which has previously focused on understanding variations related to the values of family members, such as founders or incumbents (Aronoff, 2004; García-Álvarez & López-Sintas, 2001), while overlooking those of non-family employees.

Third, while prior research has predominantly studied Christianity's role in family firms (e.g., Discua Cruz, 2014), we extend the study of fairness in family firms beyond the west by contextualising our research in the UAE, a Muslim-majority, Middle Eastern country. In this context, our research is a unique ethnographic study in the family business field that provides a real-time and detailed investigation of a family firm from the Middle East, a geographical area with a long tradition of family firms (Palaiologos, 2017). In the Arab world context, using an ethnographic approach was particularly suitable to understand *how* people apply their faith in everyday activities, allowing us to better comprehend the unexplored dynamics of fairness perceptions in family firms.

### *5.3. Practical contributions*

In addition to the previously mentioned theoretical contributions, our in-depth ethnographic study offers practical implications for those working in or with family firms, such as owners, managers, and business consultants. Indeed, our research opens the 'black box' of fairness perceptions among non-family employees while acknowledging that family firm values may be marked by a strong sense of spirituality and religious identification (Discua Cruz, 2014; Kellermanns, 2013). Consequently, the influence of religiosity on fairness perceptions among non-family employees may add more complexity to interactions,

especially when this religiosity is shared by the dominant coalition but not systematically reflected in the family firm's HR practices, for instance. As illustrated in this study, this is particularly the case in the context of succession (Chrisman et al., 2004), where multiple family members work for an organisation (Astrachan et al., 2002), which could open up opportunities for abuse leading to unilateral and arbitrary HR practices (Barnett & Kellermanns, 2006). Finally, while Islam emphasizes topics of justice, owners, managers, and business consultants working in the specific context of family firms in Muslim-majority countries should consider religion—particularly when developing and implementing HR practices—to improve fairness perceptions among non-family employees, and consequently family firms' outcomes.

#### *5.4. Limitations and considerations for future research developments*

We tend to agree that family business scholars need to apply more micro-level analyses (De Massis & Foss, 2018) through, for instance, ethnographic approaches in order to build more comprehensive and robust theories related to fairness. Our ethnographic case study is a first step towards uncovering the intervening cognitive mechanisms that characterise fairness perceptions in family firms, as it specifically focuses on the impact of religious influences on non-family employees' fairness perceptions. While religion is certainly not critical in all family firms, it is for at least a significant number of them (Paterson et al., 2013). Thus, despite a dearth of research on family firms from an Islamic perspective, our study reveals that studying family firms from a religious perspective offers a fertile ground for family business research. However, as in any qualitative study, this includes several limitations that indicate the boundaries of its contributions while providing opportunities for future research.

Although the statistical generalisability for this type of study constitute a limitation, this original ethnographic case study affords realism by capturing the perspective of those we

studied (Pratt, 2009). Thus, although we know that unfairness perceptions are relatively common experiences in the family firm context, we cannot affirm that all non-family employees develop cognitive mechanisms in ways identical to what we have found here. However, we can propose that our research provides analytic generalisability: the construction of an abstract theory that can, in itself, be applied and studied in other cultural and institutional contexts (Yin, 2003), and with different stakeholders such as family members (e.g., Matser et al., 2020). Alternatively, a naturalistic generalisation (Stake, 2000) can create a sense of external validity of our results by recognising how one case is similar to another. Following this logic, the cognitive processing mechanisms for generating fairness judgments among non-family employees found here may be comparable to those in similar organisations, such as faith-led family firms. Relative to this, we encourage family business scholars to further investigate fairness in different types of family firms from other Muslim-majority countries to better understand how fairness assessment dynamics occur in other types of family firms, and how these dynamics differ.

A move towards statistical generalisability involves another promising area for future research through the development of reliable scales to measure both individuals' religiosity and the religious influence on fairness perceptions in the family business context (Pearson & Lumpkin, 2011). By adopting a more holistic approach, the integration of religion in an analysis should improve our understanding of the attitudes and behaviours in family firms. From this perspective, future research is called to further extend our understanding of family firms' heterogeneity in terms of religiosity by, for instance, exploring the different levels of religiosity and differences in religious beliefs among family and non-family members.

Another concern relates to the danger of the social desirability bias. Indeed, the family status and business functions of the ethnographer might have pushed the informants to act and talk with the intent of presenting themselves in a positive light. More precisely, on the one

hand, it is possible that some non-family employees tended to hide their real fairness perceptions out of fear to displease the controlling family. On the other hand, it is also possible that, in order to get the sympathy of the ethnographer, some non-family employees tended to exaggerate their behaviours by, for instance, presenting themselves as “pious” believers who were “victims” of unfairness. Three features of the approach to data collection help to alleviate this concern: (1) the extended period of time spent in the field by the ethnographer as a participant observer; (2) the fact that most of the observations and comments were captured through naturally happening, unexpected, and spontaneous encounters; (3) the fact that non-family employees were not aware of the research project details until the debriefing session.

Additionally, the model and propositions presented in this study specifically focus on non-family employees; hence, we encourage future research to raise the question of whether fairness perceptions of the owning family are formed differently. Moreover, we primarily examined the “*should*” component’s influence and encourage future studies to provide more details about the “*would*” and “*could*” components’ roles—which constitute the fairness theory—to better understand how fairness perceptions form in family firms. It would also be noteworthy to observe how family and non-family members’ fairness perceptions influence each other to further advance our understanding of fairness in family firms. Finally, justice is a value that can be found in many other different cultural contexts and religions, such as Christianity, Judaism, Hinduism, and Buddhism (Caney, 2006). Thus, we encourage cross-cultural studies with non-Muslim majority countries to identify any similar or different cognitive mechanisms that affect fairness perceptions to advance our understanding of family firms’ internal dynamics.

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**Table 1**  
**Characteristics of Active Family Members at ASTO**

Informants	Age	Family Vs. Non-family	Date of Entry in the family firm	Position in the Firm	Previous Outside Work Experience
<b>MR. GABY</b>	57	Family (Father)	1981	Chairman	YES Accountant (3 years)
<b>MATHIEW</b>	28	Family (Eldest Son)	February 2006	Operations manager	NO
<b>RACHEL</b>	26	Family (1 <sup>st</sup> Daughter)	April 2011	Financial manager	YES Corporate Banking (5 years)
<b>BIANCA</b>	23	Family (2 <sup>nd</sup> Daughter)	July 2011	Quality manager	NO Fresh Graduate Engineer
<b>TONIO</b>	32	Family (1 <sup>st</sup> Son in-law)	April 2011	Maintenance manager	YES Civil Engineering (9 years)
<b>ALEX*</b>	29	Family (2 <sup>nd</sup> Son in-law)	July 2011	Internal consultant manager	YES Management consulting (Banking industry) (4 years)

\*The internal consultant manager, as participant observer, was the ethnographer, hence providing an insider's real-time perspective to the analysis of the fairness perceptions among non-family employees.  
 All names are sanitized throughout the paper for confidentiality reasons.

**Table 2**  
**Data Sources**

Data source	Description	Volume of data
ASTO documentation	<ul style="list-style-type: none"> <li>• Various financial reports (between 2008 – 2016)</li> <li>• Rent contracts of commercial premises</li> <li>• Human resource documentation: work visa applications and work contracts</li> </ul>	167 pages 25 pages 120 pages
Direct and participant observation	<ul style="list-style-type: none"> <li>• Field notes: ethnographer's feelings, interpretations, and observations of ASTO activities, family and non-family stakeholders.</li> </ul>	236 pages

**Table 3**  
**Main Informants among the Non-Family Employees at ASTO**

Names	Main function	Age	Years of experience in ASTO	Other functions
<b>Samir</b>	Cashier-manager	43	15	Head waiter
<b>Wael</b>	Cashier-manager	30	6	Call center Cashier-manager
<b>Atef</b>	Chef Falafel	39	10	Chef Falafel
<b>Otb</b>	Kitchen Chef	48	25	Grill man
<b>Khalifa</b>	Head of Maintenance	38	10	Head of purchasing Cashier-manager
<b>Sayful</b>	Cleaner	25	5	Cleaner
<b>Muftah</b>	Cleaner	23	5	Kitchen Helper
<b>Hamad</b>	Driver	24	1	Driver
<b>Abou Kalam</b>	Busboy	30	6	Cleaner
<b>Bailloumi</b>	Driver	32	2	Driver
<b>Ahmed</b>	Grill man	40	2	Grill man
<b>Moonguy</b>	Cashier-manager	42	22	Cashier-manager
<b>Hany</b>	Cashier-manager	36	7	Head waiter
<b>Ibrahim</b>	Cashier-manager	42	15	Cashier-manager
<b>Hassan</b>	Kitchen Chef	47	12	Kitchen Chef

**Table 4**  
**Differences Between Horizontal-Social and Vertical-Spiritual Evaluation Processes**

	<b>Horizontal-Social Evaluations</b>	<b>Vertical-Spiritual Evaluations</b>
<b>Setting</b>	Business environment only	Business, Family, and Ownership environment
<b>Nature</b>	Rational reasoning	Supra-rational feeling
<b>Norms</b>	Socio-Economic standards	Ethico-Religious standards
<b>Means of evaluation</b>	Subjective and professional criteria	Personal and dominant coalition's religiosity levels

**Table 5**  
**Level of Religiosity among Non-Family Employees Compared to Types of Evaluations**

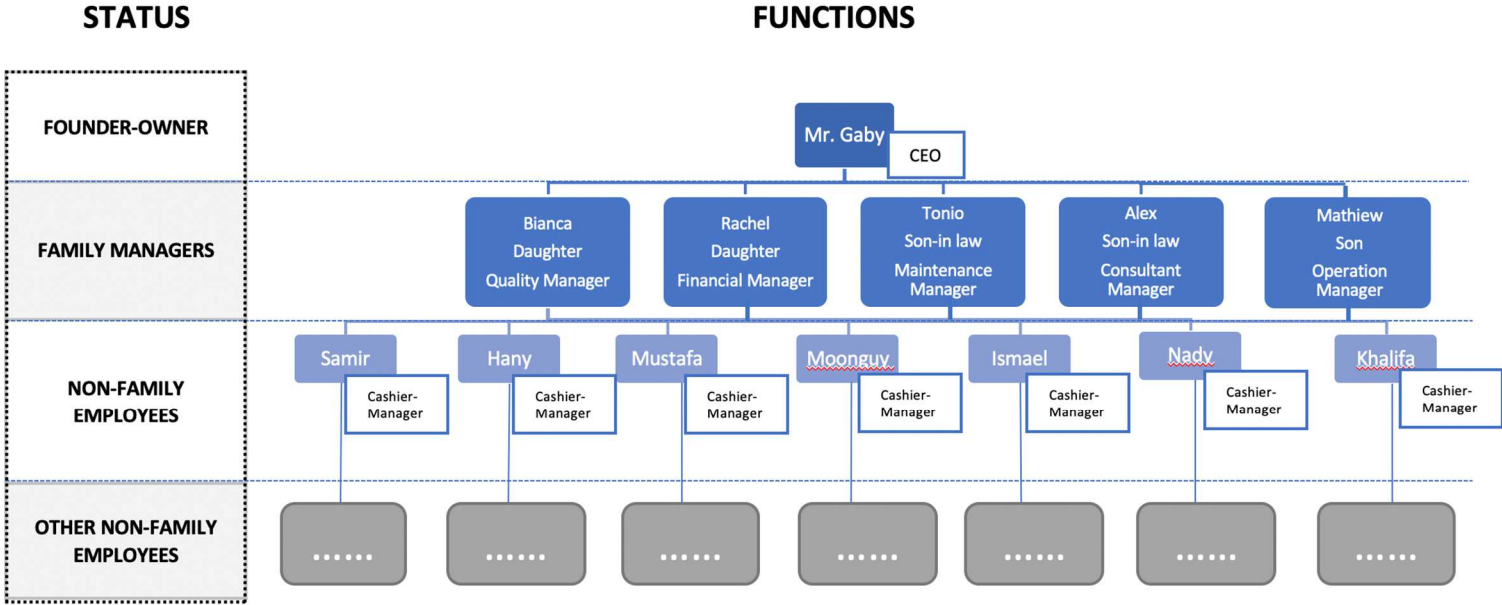
	<b>Display of Religiosity in Non-Family Employees</b>	
	<b>No or Little Islamic Religiosity</b>	<b>Moderate Islamic Religiosity (similar to the owning-family religiosity)</b>
<b>Total Number of Non-Family Employees Observed</b>	48	90
<b>Horizontal-Social Evaluation<sup>a</sup></b>	85%	80%
<b>Vertical-Spiritual Evaluation<sup>b</sup></b>	10%	89%

<sup>a</sup> Percentages refer to the percentage of non-family employees who performed Horizontal-Social evaluations; 127 total episodes of fairness judgments.

<sup>b</sup> Percentages refer to the percentage of non-family employees who performed Vertical-Spiritual evaluations; 105 total episodes of fairness judgments.



**Figure 1**  
**A Simplified Organisational Chart of ASTO**



**Figure 2**

Data Structure

1<sup>st</sup> Order Data

2<sup>nd</sup> Order Themes

Aggregate Dimensions

- « Did you see?! Moonguy did not come to work today, he is absent (...) it is surely because you scolded him yesterday, he was sad ... » (Bianca, family manger, informal discussion)
- « I was supposed to get my salary increased last month, I did not » (Atef, non-family employee, informal discussion)
- « I am calling Rachel every day, she refuses to respond to my calls, she promised me to increase my salary but I need to know when exactly...Ask her to answer my calls please » (Atef, non-family employee, informal discussion)

- « Why did you cut my salary last month? What did I do to deserve this? Can you explain to me because I don't understand?! » (Cyril, non-family employee, informal discussion)
- « Don't be angry but I cannot allow you to take your annual vacation this week as we scheduled, I have nobody to replace you yet. Please cancel your ticket and wait till I tell you when you can leave » (Rachel, family manager, observation)
- « He has already been increased two years ago, I totally disagree to increase him again » (Mathiew, family manager, observation)

- « I have many problems in Egypt, my children grew up and are starting school, so I need to get an increase in my pay » (Hamad, Driver, non-family employee, informal discussion)
- « Since I started work in this company six years ago, I did get a salary increase, can you do something? » (Zenguir, non-family employee, informal discussion)
- « Listen, Sir, I always did my job the best I could, you know me, I did everything I was asked to do(...) but there are things that I do not accept ... I will speak to you in a few days and give you precise explanations » (Muftah, non-family employee, informal discussion)

- « Well, he is protected and untouchable (...) if he makes a mistake at work, like missing an order or getting angry with a customer, for example, he will not be punished. You are the problem of Mr. Gabry to justify your decision, but for God that is what you did in Egypt, my father and my family employees in France and I will not let you do it with me. (Wael, non-family employee, informal discussion).
- « It is unfair! The new employees recruited have a better salary than me! » (Baklouni, non-family employee, informal discussion).
- « Haram!! I already have my plane ticket! You cannot tell me to wait, Tonio promised me that I will take my annual vacation ... » (Sofiane, non-family employee, informal discussion).

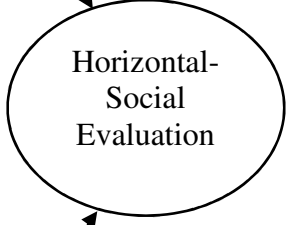
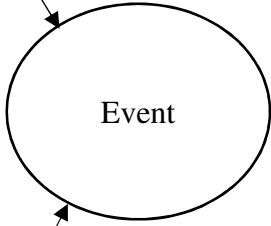
Unexpected Decisions

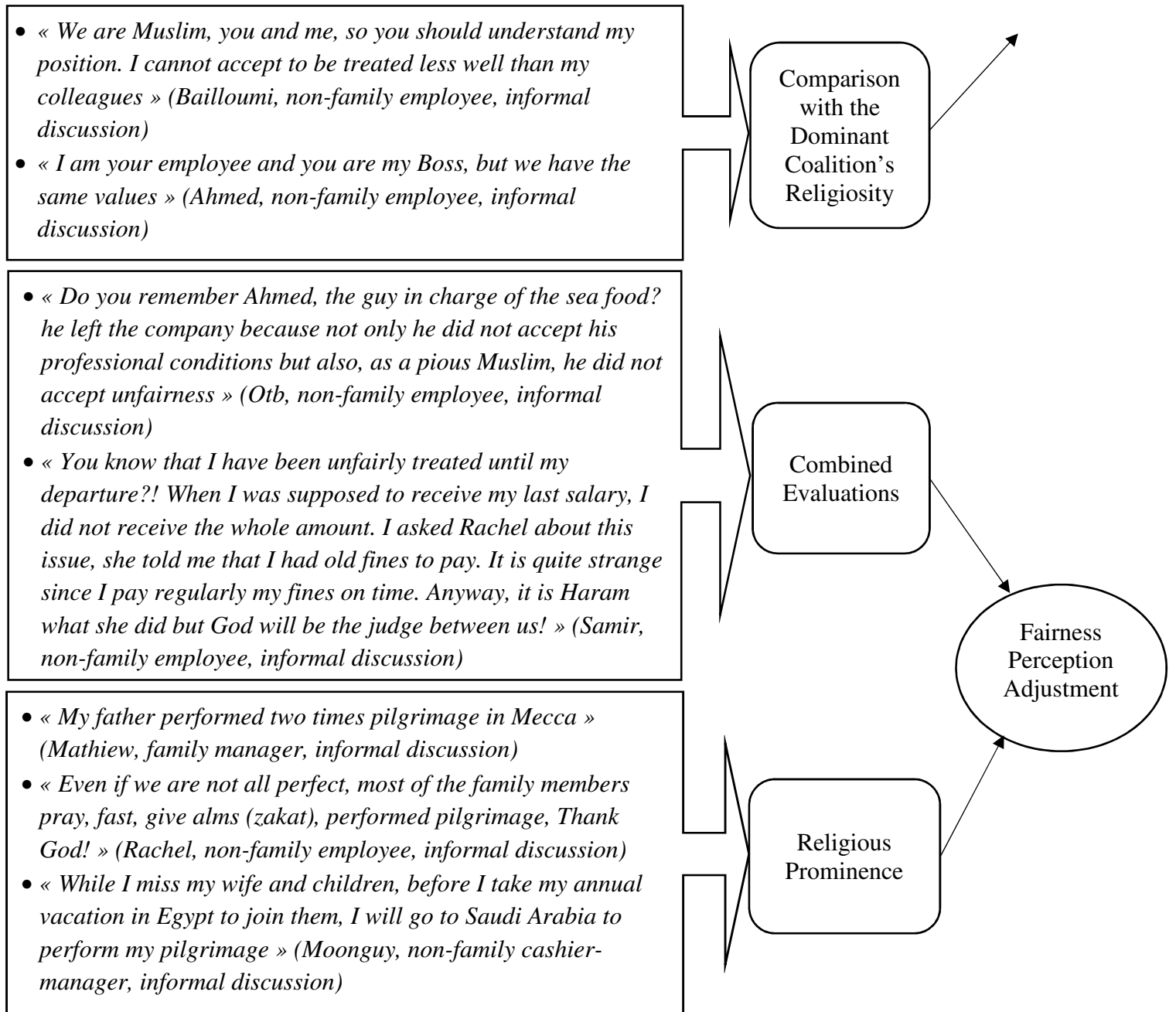
Unfavourable Decisions

Situational Reasoning

Comparative Reasoning

Intrapersonal Religiosity





**Figure 3**

# A Process View of Fairness Perceptions among Non-Family Employees

