



# **The impact of change at management level on job satisfaction:**

An analysis of takeover by  
Generation Y and Z.

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## **Abstract**

**Title:** The impact of change at management level: An analysis of takeover by Generation Y and Z.

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This dissertation aims to investigate the impact of a change in management, particularly when there is a generational change to managers of Generations Y and Z, as these two generations will form the majority of available workforces in the labor market in the near future. It also explores whether this changes in the generation of management has a special impact in family-run businesses (FBs) and small and medium sized enterprises (SMEs), which are the drivers of the economy and are characterized by their unique structures.

To investigate the effects of a change in management on employee satisfaction, a study was conducted in which participants who had experienced a change in management were asked to report their job satisfaction before and after the change. With a specific selection of ten work aspects of employee satisfaction, an attempt was made to gain deeper insights into the dynamics of FBs and SMEs and ultimately to examine the extent to which such a generational change has an impact on employee satisfaction.

The results of the study show that a change in management increases employee satisfaction, but a change in management by Gen Y and Z does not have any particular effect on employee satisfaction. Furthermore, the positive effect of a change in management is more evident in FB than in non-FB, whereas no such difference was found between SMEs and non-SMEs.

**Keywords:** Generational Change, SME, FB, Employee Satisfaction, Generation Y and Z

## **Sumario**

**Título:** O impacto da mudança ao nível da gestão: Uma análise de aquisições pelas Gerações Y e Z.

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Esta dissertação tem como objetivo investigar o impacto de uma mudança na gestão, particularmente quando há uma mudança geracional para gestores das Gerações Y e Z, dado que estas duas gerações irão formar a maioria da força de trabalho disponível no mercado de trabalho num futuro próximo. Também explora se esta mudança na geração de gestão tem um impacto especial nas empresas familiares e nas PME, que são a espinha dorsal da economia e se caracterizam pelas suas estruturas únicas.

Para investigar os efeitos de uma mudança na gestão na satisfação dos trabalhadores, foi realizado um estudo no qual se pediu aos participantes que tinham passado por uma mudança na gestão que indicassem a sua satisfação no trabalho antes e depois da mudança. Com uma seleção específica de dez aspectos laborais da satisfação dos trabalhadores, tentou-se obter uma visão mais aprofundada da dinâmica das empresas familiares e das PME e, em última análise, examinar em que medida essa mudança geracional tem um impacto na satisfação dos trabalhadores.

Os resultados do estudo mostram que uma mudança na gestão aumenta a satisfação dos trabalhadores, mas uma mudança na gestão das gerações Y e Z não tem qualquer efeito específico na satisfação dos trabalhadores. Além disso, o efeito positivo de uma mudança na gestão é mais evidente nas empresas familiares do que nas empresas não familiares, ao passo que não se verificou qualquer diferença entre PME e não PME.

**Palavras-chave:** Mudança geracional, PME, FB, Satisfação dos trabalhadores, Geração Y e Z

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## List of Abbreviations

&	And
CEO	Chief Executive Officer
<i>d</i>	Cohen's <i>d</i>
<i>F</i>	<i>F</i> -statistic
FB	Family Business
H1-H5	Hypothesis 1 to Hypothesis 5
HR	Human Resources
<i>M</i>	Mean
MPS	Motivation Potential Score
MSQ	Minnesota Satisfaction Questionnaire
<i>N</i>	Sample Size
$\eta^2_p$	Partial Eta Squared
Nr.	Number
<i>p</i>	<i>p</i> -value
<i>SD</i>	Standard Deviation
SME	Small and medium-sized enterprises
<i>t</i>	<i>t</i> -statistic
X	Independent Variable
Y	Dependent Variable
$\alpha$	Alpha

## 1 Introduction

“A generational change is a great opportunity, but also a dangerous cliff that can destroy values if crossed. Seeing the change as an opportunity makes it easier - Richard Grohe” (Leikep, 2022).

The demographic change that is evident in today's labour market includes the ageing of the workforce, which entails fundamental changes in the organization (Burke & Ng, 2006). This leads to generational diversity within organizations and it is a top priority to take into account the different experiences and perspectives of each individual generation and to unite the different work attitudes accordingly (Lieber, 2010). Generation Y will play a central role in this context, as it is considered the largest generation to have entered the labor market over the years and is thus beginning to replace the retiring Baby Boomers (DeVaney, 2015). In general, the upcoming Y and Z Generations are expected to leave a considerable impact through their affinity for technology and their preference for flexible working hours (Ryback, 2016).

Moreover, the impact of generational change may be different depending on the particular characteristics of the organization. Small and medium-sized enterprises (SME) are a specific type of company that have had both a lasting impact on advanced industrialized countries and an enormous influence on emerging and developing countries in the past (Kushnir et al., 2010). For example, across Europe, more than 99% of all active companies are SME in 2018, making this form of business organization a key driver of economic growth and creating jobs for around 97.7 million people (European Commission, 2019). In the European Union a considerable proportion of SME are registered as family-run businesses (FB). A total of 60% of all entrepreneurs in Europe are owner-managed companies (European Family Businesses, 2021). FB are controlled by a manageable number of natural persons and managed by at least one of the owners (Stiftung Familienunternehmen, 2023). The economic importance of family-run companies in Europe is further illustrated by their 40% share of total turnover in the private sector (Mandl, 2008). In today's dynamic business world, many SMEs and FBs are confronted with change over time. One challenge that every business owner and their family will face sooner or later is the generational transition, a profound process of change and a complex issue that requires careful planning and implementation (Schwartz & Leifels, 2022). Every year, 450,000 family entrepreneurs in Europe are expected to step down from their activities and retire (European Family Businesses, 2020). In the best-case scenario, the retiring generation will be succeeded by a new generation with its own values, visions and ideas. In the worst-case scenario, the number of future successors with the necessary qualifications to take over the

business is too limited, resulting more and more frequently in the involuntary closure of companies (Schwartz & Leifels, 2022).

In the quote used to open this thesis, one of these successors, Richard Grohe, entrepreneur from the Hansgrohe family business with a long tradition, reminds us that a generational change caused by the retirement of a family member can be a great opportunity, but can also mean the abyss of entrepreneurial existence if the change in leadership is not managed properly. This reflects the challenge faced by many family-run SME in the modern work environment, namely reconciling tradition and innovation (Leikep, 2022).

## **1.1 Problem statement and research objectives**

Millennials, followed by Generation Z, will be the next generations that will soon occupy management positions and be responsible for leading a company and its employees. For this reason, it is crucial to examine the consequences that such a generational shift in leadership can have on the workplace (Gabriellova & Buchko, 2021). In particular, there is a need to understand how the leadership styles of different generations affect job satisfaction in the workforce (Van den Berg & Wilderom, 2004). Furthermore, whether these effects depend on certain characteristics of the companies is an open question. Family-run SMEs, in particular, operate in a dynamic environment and operate in a constantly changing landscape in which the generational shift at management level continues (Schwartz & Leifels, 2022; Fels et al., 2021). The aim of the current study is, thus, to investigate the effects of management changes on employee satisfaction. The focus is on generational change and the extent to which employees perceive and evaluate their job satisfaction after a change in management by Generations Y and Z. In a survey of 143 HR professionals, Watkins (2009) found that 87% of respondents ranked the transition to a leadership position as the most critical and challenging event in a successor's career. It is not only the management level itself that is affected by these changes, but also all other members of the organization. The change is expected to have a profound impact on the attitudes and behavior of employees (Watkins, 2009). Generational change is therefore a unique event in organizations, bringing with it both challenges and opportunities (Kesner & Seborá 1994).

Therefore, the focus of this dissertation is to answer the following research question: „How does a change in management by Generations Y and Z influence job satisfaction in general and FBs and SMEs in particular?“

To answer the identified research gap, a survey was conducted to analyze the influence of a generational change on employee satisfaction. To better understand possible deviations in employee satisfaction after a generational change, the survey participants were asked to provide insights into their perceptions and experiences before and after the change in management. The focus of the study here is particularly on the transition in the management level through Generation Y and Z.

## **1.2 Managerial and academic relevance**

The current study is intended to provide valuable results and data for businesses, SMEs and FBs especially, that are currently in the process of handing over management tasks to younger generations such as Generation Y and Z or will be in the process of a takeover in the near future. Company leaders in particular should benefit from the findings. By handing over the management task, it is particularly important that the successor is aware of its impact on the satisfaction of all stakeholders involved, especially employees' job satisfaction and thus on the productive and efficient performance of the company in general (Le Breton-Miller et al., 2004). This research will search for differences in leadership styles between generations and provide guidelines to reconcile modern approaches of younger generations with the traditional practices of businesses in general, and SMEs and FBs particularly. The results should support those responsible in decision-making processes and serve as an assistance for adapting the corporate culture in order to ensure successful succession in the long term.

This research contributes to the growing literature on generational change and the associated effects on company performance, particularly on employee satisfaction. Theoretical approaches already exist separately in the literature for these topics. However, although management positions are increasingly being filled by younger generations, there is still little research on the establishment of Gen Y as successors and thus new managers in family businesses (DeVaney, 2015). The following paper takes a closer look at the unique characteristics that distinguish the younger generations and includes the changing expectations of the workplace with particular regard to family-run SMEs. Thus, the research closes the existing gap in the literature.

## **1.3 Thesis structure**

This dissertation corresponds to the classical structure of an empirical research paper. In the current introduction chapter (Chapter 1), the general topic was first presented, the problem identified and the research question derived. Chapter 2 of this dissertation takes a closer look at management change, what may be specific of changes in management by Generations Y and

Z, the importance of employee satisfaction and how it may be influenced by management change, and, finally, the particularities in FBs and SMEs that may lead to different impacts of management changes in comparison with business with larger sizes or other ownership systems. In this context, the importance of employee satisfaction is then examined in more detail. Chapter 3 focuses on answering the research question, based on the description and evaluation of the study conducted. The methodology therefore includes the research design, the determination of the sample size, the data collection method and the measurement of the main variables. This is followed, in Chapter 4, by data preparation and scale reliability testing, which is followed by hypothesis testing with the aim of thoroughly answering the research question of this thesis. Chapter 5 then discusses the results with regard to the existing literature and highlights the limitations of this research. Finally, in the conclusion, the dissertation once again focuses on the research question and lists the most important results that are relevant and helpful for decision-makers.

## **2 Literature review**

The following chapter covers the existing literature on the dynamics of management changes, with a particular focus on Generations Y and Z, the importance of employee satisfaction and what factors may impact this variable, and, finally, what is unique in FBs and SMEs that may lead us to expect different patterns of impact of managerial change.

### **2.1 Change in management**

#### **2.1.1 What is change in management**

Changes caused by internal or external circumstances can occur in all sizes and forms and are a recurring process that all organizations have to face over time (By, 2005). According to Scott and Jaffe (1988), a change process goes through four critical phases: Initiation of change may initially be met with rejection from employees, which is followed by resistance. This is followed by the gradual exploration of the change and finally the willingness to participate in it (Scott & Jaffe, 1988). The most important component in this change process is effective leadership; without effective leadership, successful implementation of change is unthinkable (Gill, 2002).

Among the various aspects that can change in a company, the management level can also be affected by changes, such as the transition from one CEO to another one (Butler & Roche-Tarry, 2002). Such a change not only impacts the economic environment and the political climate of the organization, but also has a significant effect on the employees (Brady & Helmich, 1984).

Leaders usually have a broad range of knowledge about their organization. They are usually the most knowledgeable about business practices, day-to-day requirements and procedures due to their many years of experience (Butler & Roche-Tarry, 2002). However, it is not unusual for a manager in a leadership position to leave the company at some point. Reasons that can lead to leaving the company include an (un)expected retirement, a simple job change or other unexpected events (Haworth, 2005). The occurrence of these events is often accompanied by the loss of the manager's significant know-how if a succession plan has not been developed early on (Johnson et al., 2018).

According to Rothwell (2010), succession planning is a specific process by which a company systematically ensures that critical and responsible positions in an organization can be filled by qualified managers. Among other things, this process aims to preserve and develop existing knowledge and skills in the future, as well as to promote individual professional development (Rothwell, 2010).

At the beginning of a succession process, the incumbent CEO must make a decision as to whether the successor should come from within the organization or whether an external successor should be considered (Naveen, 2006). In general, it is easier to transfer human capital within the organization, as prior knowledge of company-relevant knowledge such as the product range, customers, competitors and personnel structures already exists (Bonnier & Bruner, 1989). Ideally, this successor should be selected at an early stage so that close cooperation between the heir and the current CEO can still be guaranteed. The transfer of knowledge usually takes place over a period of several months or even years and in the end incumbent CEO steps down from his position and hands over the management of the company to the successor (Naveen, 2006).

### **2.1.2 What sort of impacts can change in management have in a company**

This section examines the effects that a change of management can have in companies. Both the internal effects and the external consequences of such a change are examined in more detail.

The change of a leader can cause disruption in the organization and profoundly affect organizational performance (Kesner & Sebor, 1994). Organizational performance encompasses a wide range of variables that are used to measure the results achieved (Neely & Adams, 2000). Traditionally, organizational performance can be measured from four different perspectives: the 1) financial perspective (van den Berghe & Verweire, 2004). In their study, Kato and Long (2006) found a positive association between a change in leadership and the

financial performance of the enterprise. Similar results are also reflected in the studies by Friedman (1986) and Finkelstein and Hambrick (1996), in which the change in management also had a strong influence on the financial performance of the company. The 2) control perspective can provide insight into organisational performance based on indicators such as corporate strategy and corporate goals (van den Berghe & Verweire, 2004). Another perspective mentioned by van den Berghe & Verweire (2004) is the 3) operational perspective. A change at the management level, and thus the change of decision-maker, has an impact on the operational landscape and thus on all those involved in all areas of the company, particularly employees are affected, as they will perceive the changes primarily through new management practices (Beatty & Zajac, 1987). Friedman and Saul's (1991) study found that a CEO change strongly influences employee turnover in the company as well as employee performance. From an external lens, a change in leadership affects external stakeholders such as suppliers and customers and, depending on the size of the company, shareholders, the public and the government (Beatty & Zajac, 1987). The final perspective from which organizational performance can be assessed and is actively affected by a change of leadership is the 4) risk and value management perspective (van den Berghe & Verweire, 2004). This is because the CEO is also responsible, among other things, for the strategy, structure and environment of the company he or she manages (Dalton & Kesner, 1983). Organizational performance with all its perspectives can be used as a benchmark after a completed leadership transition to assess how successful the succession actually was (Morris et al., 1997). There are numerous performance indicators nowadays, as companies want to measure and evaluate their performance in all areas, from their innovation potential and profitability to operational efficiency and finally the satisfaction of the stakeholders involved, such as customers and employees.

## **2.2 Employee satisfaction**

### **2.2.1 What is employee satisfaction**

One of the most important resources of a company in the modern business world is undoubtedly its personnel (Breckova & Havlicek, 2013). Therefore, the goal of any organization should be to create a pleasant working environment in which satisfied and motivated employees operate (Urošević & Milijić, 2012). Employee satisfaction is a positive, emotional state that employees feel when they perceive their daily work as fulfilling and their work contributes to the achievement of personal work values (Locke, 1969). In addition, the concept of job satisfaction includes how employees evaluate the atmosphere at work, the relationship they have with their colleagues, as well as the reward for the work they do and the opportunities for advancement

in their job (Belias & Koustelios, 2014). The evaluation criteria for job satisfaction also include aspects such as employees' physical health and mental state, as well as their social well-being and general sense of happiness (Grant et al., 2007).

Employee satisfaction is sometimes the result of certain motivators (Herzberg, 1959). Work motivation for example is an inner state that drives the individual to achieve personally set goals and ultimately leads to people accepting a job and being willing to keep and continue it (Hackman & Oldham, 1976). In a professional context, motivation means that employees strive to achieve predefined goals set by management (Urošević & Milijić, 2012). A prerequisite for high intrinsic motivation is that the employee feels that they are doing meaningful work (Hackman & Oldham, 1976). As a result, motivation leads to increased efficiency and creativity in the workplace and thus strengthens the competitive advantage over competing companies in the market (Unčanin et al., 2006). In companies that employ people with a high motivation potential, employee satisfaction is reflected in two key areas, namely a reduction in absenteeism and lower staff turnover (Hackman & Oldham, 1976). To keep turnover as low as possible, it is crucial to determine in advance which requirements must be met by a potential employee in order to do the job properly, from the employer's side, it is therefore important to recognize and ensure the right job-employee fit from the outset (WeiBo et al., 2010). After all, job-employee fit is ultimately decisive for the commitment of employees to the organization and influences the productivity of employees in their daily working lives (Rousseau & McLean Parks, 1993).

### **2.2.2 Factors impacting employee satisfaction**

There are various theories in the literature that describe and analyse the concept of employee satisfaction in more detail: The three scientists Herzberg (1959) and Hackman and Oldham (1976) identified several different factors that have an influence on employee satisfaction.

Herzberg (1959) divides the so-called motivators (factors that lead to employee satisfaction) and hygiene factors (factors that can lead to employee dissatisfaction) in his two-factor theory. For example, according to Herzberg, recognition and appreciation by superiors are considered to be the main motivators for employee satisfaction, but the work itself and responsibility also play a decisive role in assessing employee satisfaction. In contrast, for example, interpersonal relationships in the workplace and the contractual remuneration of employees belong to the category of hygiene factors (Herzberg, 1959).

Another theory, the job characteristics model by Hackman and Oldham (1976), sees as central work characteristics that are responsible for the intrinsic work motivation of employees: 1) the

exercise of varied and diverse skills, 2) an existing task identity, 3) the significance of one's own work, 4) the existence of responsibility and 5) the reception of feedback.

Beyond motivation, there are other determinants that can have an influence on employee satisfaction. For example, the provision of new technologies in the labor market is one of the factors that must be taken into account in the future with regard to employee satisfaction (Bolli & Pusterla, 2022).

Another factor that impacts employee satisfaction is leadership (Van den Berg & Wilderom, 2004). Leadership is a key factor responsible for the overall well-being of an organization and its efficient operation and defined as a process that directly influences the behaviour of employees, the individual goals of each employee and the organization in general, as well as the cooperation between employees and their managers (Yukl & Van Fleet, 1992). The respective leadership style that is practised in a company therefore has an impact on employee satisfaction and thus also on the commitment that the workforce shows to the organization, as well as on the overall cohesion that prevails in the company (Van den Berg & Wilderom, 2004).

Various studies have found a positive correlation between leadership and job satisfaction (Lowe et al., 1996; Chiok Foong Loke, 2001; Berson & Linton, 2005). I therefore propose the following hypothesis:

H1: A change in management has a positive influence on the job satisfaction of employees.

### **2.3 Generational change and Gen Y and Z managers**

In many companies worldwide, up to five generations will be working in the workforce by 2023 (Klenke, 2018). In the literature, the generations are predominantly categorized according to American definitions. Generations are generally divided into: 1) Mature Generation, also known as Traditionalists, members of this generation were born before 1945; 2) the Boom Generation or Baby Boomer Generation covers the period from 1946 to 1964; 3) Generation X was born between 1965 and 1980; 4) the Millennial Generation, also known as Gen Y, was born between 1981 and 2000, and, finally, 5) Generation Z was born between 2001 and the present day (DeVaney, 2015; Reeves & Oh, 2008). The definition of the different generations differs considerably in the literature depending on the author and country of origin. This can be attributed to the different views on naming and the different allocation of birth cohorts to the respective generations. In the European Union, the same generational designations are used as

in American definitions (Baby Boomer, Generation X, Generation Y or Millennials and Generation Z), only the allocation of the different age cohorts to the corresponding generation varies by one or two years (European Parliamentary Research Service, 2022). In the course of this dissertation, the previously mentioned classification of generations according to the American definition will be followed.

The Baby Boomers, Gen X and Millennials will make up the largest part of the working population in 2023 (European Parliamentary Research Service, 2022). These three generations are currently in the middle of their careers (Reeves & Oh, 2008). Nevertheless, it should be noted that a large proportion of the baby boomer generation will be retiring in the next few years (Costa & Di Milia, 2008). Gen Z will be the next generation to enter the workforce in the next few years and this age cohort comprises 74 million people (Gabrielova & Buchko, 2021). For this reason, the characteristics of these four generations are examined in more detail below and the traditionalists are neglected, as many members of this age cohort are already in early retirement or retired.

Baby Boomers are considered the highest-birth cohort since the end of the Second World War and over the years, they developed into a hard-working workforce (Patota et al., 2007). Their commitment and determination are reflected in the long work hours this generation performs, for this reason, Baby Boomers are often referred to as workaholics (Gibson et al., 2009). Their top priority is to achieve personal satisfaction through their work (Lancaster & Stillman, 2002). Lastly, loyalty to the company is a characteristic that can be observed throughout the entire generation, as a result Baby Boomers rarely change jobs and are considered a core workforce in their company (Gibson et al., 2009).

Today, members of Gen X are between 43 and 58 years old. Due to high divorce rates of the Baby Boomers, Gen X took responsibility for themselves from an early age and therefore have had little experience of dealing with rules and respecting authority, as a result autonomy and independence are an integral part of their lives today (Klenke, 2018). Furthermore, Gen X advocates a balance between private life and work; work is no longer the sole focus of life for this generation (Crampton & Hodge, 2007). The characteristic core elements of Gen X include the pursuit of career opportunities, their entrepreneurial thinking and actions and their independence (Gibson et al., 2009).

People who belong to Generation Y are between 23 and 42 years old and are by now probably already in professional life, with some of them moving into management positions over time

(Gabriellova & Buchko, 2021). Millennials have grown up in times of emerging digitalization and instant communication via cell phone (McNamara, 2005). In addition, members of Gen Y have experienced a higher level of education compared to previous generations (DeVaney, 2015). In particular, this generation is characterized by their cultural diversity in the workplace and their strong talent in dealing with social networks (Bannon et al., 2011). In a professional context, Gen Y places a high value on teamwork, has a desire for self-management and also has a strong social awareness and a general interest in community service activities (Meister & Willyerd, 2010).

Gen Z is currently the youngest group of people and includes young adults who are 22 years old or younger (Ozkan & Solmaz, 2015). Gen Z will represent the age cohort that will fill nearly all entry-level jobs by 2030 (Al-Asfour & Lettau, 2014). Gen Z is still often discussed in connection with Generation Y, as both age cohorts have some of the same characteristics (Iorgulescu, 2016). Over time, however, Gen Z is also developing its own characteristics and behavioral patterns that distinguish it from previous generations (Schroth, 2019). Compared to Gen Y, for example, Gen Z no longer strives for rapid career advancement the focus is more on finding meaning in their work and the desire to perceive their work as valuable (Turner, 2015).

The different generations in today's labor market all have unique characteristics and work attitudes, so no single leadership style can meet the expectations of each generation, but rather a blend of leadership styles ensures that the generations work together more effectively and productively (Tulgan, 2000). As different historical events have shaped the specific attitudes and values of each individual generation, the perception of leadership varies from generation to generation (Sessa et al., 2007). The differences between the management styles of the individual generations are listed separately in the following: The leadership style of Traditionalists is shaped by their past experiences with military organizations and therefore leaders from this generation often rely on an authoritarian leadership style in which commands are issued and strict control is exercised (Bennis & Thomas, 2002). Baby Boomers, for example, favor a collegial leadership style that aims to achieve consensus among employees (Lindenberger & Stoltz-Loike, 2005) and, as managers, they trust in the participative management style (Salahuddin, 2010). Communication in this management style is mainly personal, face-to-face, involves the ability to listen, understand and communicate effectively and feedback in the form of appreciation is used to motivate employees (Hammill, 2005). Gen X leaders are the first to introduce flatter hierarchies and more flexible organizational structures, which has resulted in Gen X living a very team-building leadership style in which collaborative partnership is highly

valued (Bennis & Thomas, 2002). Gen Y managers are described as collaborative, transparent and easy-going and are also characterised by the flexibility and balance they bring to the workplace (Karsh & Templin, 2013). A leadership style that encourages work-life balance and offers creative and alternative ways of communication is suitable for Gen Y (Sujansky & Ferri-Reed, 2009). As Gen Z is only just entering the workforce, the literature so far (Iorgulescu, 2016) only provides initial indications that it can be assumed that the leadership preferences of Gen Z and Gen Y have similar points of overlap. It is therefore expected that the preferred leadership style among Gen Z managers will be the transformational leadership style (Al-Asfour & Lettau, 2014).

According to current estimates, Gen Z will probably be the best educated generation on the labour market (Fry, 2018). And several studies have found that managers with a higher level of education have better management skills, for example by processing information more easily and being open to change (Bantel & Jackson, 1989; Wiersema & Bantel, 1992). Thus I hypothesize that:

H2: A change from the management of an older generation to a younger generation has a particularly positive effect on job satisfaction.

And:

H3: The presence of a young manager influences the job satisfaction of employees.

## **2.4 Management in small and medium-sized and family businesses**

### **2.4.1 Small and medium sized businesses and their importance**

The global number of SMEs was estimated at 332.99 million in 2021, with most SMEs in Asia at 186.1 million, followed by Africa with 62.88 million, Europe with 33.21 million, North America with 31.85 million and South America with 17.94 million SMEs (Statista, 2022). Of all existing companies in the European Union, 99% are classified as SME. The economic importance of SME for the European market is illustrated by the fact that these companies are responsible for securing an estimated 75 million jobs in the EU (European Commission, 2005). SMEs make a significant contribution to the growth of national economies due to their entrepreneurial activities (Ghobadian & Gallar, 1996). They are described as initiators of change, are considered a source of new innovations due to their capabilities and play a significant role in the further development of industry (Acs, 1992). SMEs have the advantage

of being able to adapt quickly to constantly changing technological requirements and respond better to market fluctuations (Pilar et al., 2018). Furthermore, SMEs offer a wide range of services and resources, so their competitive structure creates competition in the market and their organizational structure allows them to make quick decisions and rapid adjustments (Dyer and Singh, 1998; Lane and Lubatkin, 1998). Another special characteristic of SMEs is their customer-oriented work: SMEs have the ability to understand customers' needs well and respond quickly to their demand (Hillary, 2017).

To be classified as an SME, companies must have a certain degree of autonomy and independence. This means that the company is either completely autonomous or has a minority shareholding of no more than 25% in another organization (European Commission, 2005). Furthermore, SMEs are differentiated from large companies by other businesses indicators, which are defined in more detail in Table 1 (European Commission, 2005).

Size category	Nr. of employees	Annual turnover	Annual balance sheet
Medium-sized Enterprise	< 250	≤ 50 Mio. EUR	≤ 43 Mio. EUR
Small Enterprise	< 50	≤ 10 Mio. EUR	≤ 10 Mio. EUR
Microenterprise	< 10	≤ 2 Mio. EUR	≤ 2 Mio. EUR

Table 1: Classification of SME in the EU (European Union, 2005)

SME are defined in this dissertation based on the employment size class.

## 2.4.2 Family businesses and their importance

To date, there is no uniformly recognized definition of FBs in the literature, but researchers have discussed various approaches to defining the term. One of the most widespread approaches is classifying companies as FB if they are either family-owned, family-controlled and/or family-managed (Gomez-Mejia et al., 2011, Shankar & Astrachan, 1996). This broad definition can therefore include different types of FB. The degree of involvement of the family members in the company is seen as the decisive factor here (Barbera & Moores, 2013). FBs exist not only in different organizational forms but also in different sizes. These companies range from small and medium-sized enterprises to large corporations (Klein, 2000).

Non-FB are divided into two systems, the business itself, which includes the operating business, and the ownership system whereas in FB, this model is extended by a third system, the family itself (Hiebel, 2013). The family represents the unique selling point in FB and gives the company its very own recognition value in its working methods, organizational structure and

values (Ungerer & Mienie, 2018). FBs are typically distinguishable from non-FBs because: 1) FBs are not necessarily profit-oriented, but rather strive to maintain socio-emotional prosperity (Gomez-Mejia et al., 2011); 2) the family members have a different relationship to the company and therefore act more often out of emotion and less rationally (Acquaah, 2013); 3) FBs focus more on long-term goals than non-FBs in their entrepreneurial activities (Barbera & Moores, 2013); 4) they have an intangible desire to continue the business and the ambition to keep it in family ownership (Ward, 1987); 5) due to the trustworthy atmosphere within the organization, FBs succeed in building social relationships and committing employees to their company in the long term (Miller & Le Breton-Miller, 2005); 6) employees in FB feel a strong sense of belonging and their loyalty to the company is particularly strong, resulting in lower personnel costs and low staff turnover for these companies (Carney, 2005); and 7) FBs are more flexible in their business activities than non-FBs due to their ability to make decisions and act quickly (Goffee & Scase, 1985).

However, one challenge that many FB face is the transfer of ownership within the family. Only just about one third of all FBs manage to successfully hand over the business to the 2<sup>nd</sup> generation (Dyer, 1986). The transition from the 2<sup>nd</sup> to the 3<sup>rd</sup> generation is even more critical, with only 10% to 15% of all FBs surviving this transition (Applegate & Feldman, 1994). By 2030, the largest transfer of wealth from one generation to the next will take place among FBs. It is estimated that 15.4 trillion US-Dollar will be transferred worldwide during this period, of which an estimated 3.2 trillion US-Dollar will be passed on in European countries alone (Wealth-X, 2019). These companies are also described as *ready for handover*, which more precisely means that the managing owner will hand over the management and retire from their previous role (Fels et al., 2021). To maximize the competitiveness of FB and thus ensure its long-term survival, special attention must be paid to management practices within the company (Zornoza, 1997). The following section therefore takes a closer look at and analyzes the management practices of small and medium sized FB.

### **2.4.3 Management in small and medium sized family businesses**

First I will highlight the unique elements of FBs, followed by the characteristics of SMEs.

In FBs, the management is characterised in particular by the fact that it is represented by one or more family members, the entire control over the company remains in the family, therefore hardly any external parties are involved and there is a low fluctuation at management level due to the family dominance (Mandl, 2008). Compared to professional managers, entrepreneurial

managers are able to recognize and take advantage of opportunities early on thanks to their dynamic way of working and are also more willing to take risks (Xhepa, 2006). Even though FBs are more willing to take risks, Carlsson & Karlsson (1970) were able to identify another factor in their study that influences the willingness to take risks. Older managers are more risk averse than young managers (Carlsson & Karlsson, 1970). With regard to decision-making in FBs, it can be said that in most cases a paternalistic and personal management style is practised, which leads to decisions being made more on the basis of emotions and informally, which in turn can lead to decisions being made more quickly and easily than in non-FB (Mandl, 2008). Managers in FBs are successful in building strong and long-term relationships with their employees, which often results in employees developing both, a close relationship with the family and a positive relationship with the organisation (Madden et al., 2017). In addition, the efforts made towards the workforce are remarkably strong, employees' concerns are taken into account individually and commitments to employees are honoured (Gómez-Mejía et al., 2007).

In SMEs, flat hierarchies prevail, which means that management is actively involved in the operational processes, is in close contact with the employees and is characterised by its lack of bureaucracy (Ghobadian & Galleary, 1996). The proximity to employees and the simple corporate structures make it much easier and more frequent for managers in SMEs to discover qualified and ambitious employees and their potential, which gives them the opportunity to invest in them and retain them in the company in the long term (Carrier, 1994). At the personnel level, SMEs are able to build trusting relationships with their employees and ensure efficient and short communication channels due to the manageable number of employees (Xhepa, 2006). In contrast to large companies, the flexible structures of SMEs enable them to quickly recognize and adapt to changes both internally and externally and to overcome problems without suffering major damage (Keskgn et al., 2010). SMEs are also characterised by a low level of formalisation, which is reflected in informal working methods and procedures (Ghobadian & Galleary, 1996).

It should be noted that not all FBs are automatically SMEs and vice versa (Roffia et al., 2021). But in fact a large proportion of FBs are also SMEs at the same time, as they share many of the same characteristics (Donckels & Fröhlich, 1991).

#### **2.4.4 How are changes in management different in SME compared to family businesses**

In principle, it can be said that a change in management process in SMEs and FBs has similar characteristics, but the main difference in changes at management level in FBs compared to non-FBs and SMEs is due to the family system (Hiebl, 2013). In FB, which may have been family-owned for decades, there is a strong emotional connection to the company, as already mentioned (Mandl, 2008). The transfer of ownership and management is often more difficult than in SME and non-FB due to this strong personal involvement (Ungerer & Mienie, 2018). Despite the similar characteristics of SMEs and FBs, they differ in many aspects. In the following, I will highlight four main differences of SMEs and FBs to which I assign particular importance.

Firstly, with regard to the selection of the successor, the current manager must decide whether the company should be transferred within the family or, in the case of an SME, within the organization, or whether the company should be handed over to a person outside the family or outside the organization (Boyd et al., 2014).

Secondly, in terms of the selection process, in small FBs, the incumbent manager is likely to choose a successor within his family in the following circumstances (Boyd et al., 2014): 1) a strong family interest, 2) the willingness of a family member to take over the management, 3) an extensive commitment to the FB by all family members involved, 4) the FB has a positive outlook for the future, 5) the industry promises stable development, 6) a long-term focus of the manager, 7) tax advantages that motivate the business to remain in family ownership and 8) the FB receives strong support from the family. It is typical for non-FBs that a large number of top executives compete for the position of new CEO in a long-running application process, these candidates are ultimately selected as successors on the basis of their professional qualifications and experience rather than for reasons of nepotism (Naveen, 2006).

Thirdly, the differences in preparation for succession must be mentioned. Compared to SMEs, FBs also offer the opportunity to gain insights into the company at an early stage, for this reason potential successors often come into contact with people involved in the company during their childhood and youth (Ward, 1987). Part-time work enables successors to gain initial insights into internal company processes and gradually familiarize themselves with business practices and preparation for business succession therefore takes place in FBs many years before the actual takeover (Longenecker & Schoen, 1978).

The final distinguishing feature between SMEs and FBs is the confidence level of the successor, as succession in FBs is often based on family ties and obligations (Maas & Diederichs, 2007). The next generation in a FB follows in large footsteps and takes on an unfamiliar level of responsibility (Dyer, 1986). This responsibility often goes hand in hand with the fear of failure, which can ultimately impair the growth of the organization, as risks are usually avoided in the early stages (Ward, 1997). It is therefore essential to clarify in advance whether the successor is even interested in taking over the FB and also has the qualifications to run it (Sharma et al., 1997).

Thus, based on the strong and longterm relationships between FBs and employees in FBs, which lead to a close relationship with the family and a positive relationship with the organisation among employees (Madden et al., 2017) and the strong commitment of FBs towards their employees (Gómez-Mejía et al., 2007), I hypothesize that:

H4: Employee satisfaction after a change in management is greater in FBs than in non-FBs.

One study has shown that employee satisfaction depends on how much trust an employee has in his or her manager (Cunningham & MacGregor, 2000). And based on the findings of SME's better ability to build trusting relationships with employees (Xhepa, 2006), I hypothesize that:

H5: Employee satisfaction after a change in management is higher in SMEs compared to larger companies.

Thus, the management transition in SMEs and FBs differs in aspects such as emotional commitment, the selection process and the preparation of the successor as well as the successor's personal confidence level. It is therefore necessary to take these differences into account in order to guarantee effective succession planning in small and medium-sized FBs.

### **3 Methodology**

This chapter presents the methodology of this thesis, which aims to describe the sample, procedures and approach used to address the research question.

#### **3.1 Research Design**

A quantitative approach was chosen for this study based on proven methods that have already been used in industrial and organizational psychology, such as the study of job satisfaction and

job performance by Judge et al. (2001). With the help of this approach, the relationship between a change in management and the differences between the generations working in the labor market can be analyzed, as can the hypotheses about FBs and SMEs. The focus of this study is on quantitative and correlational research that examines the relationships between management change, generational differences of managers, and employee satisfaction. This thesis' method uses validated scales with minor adjustments to measure those variables that are relevant to the hypotheses. To collect the data, an online survey was designed using the Qualtrics survey software, in which participants were asked to provide information on their job satisfaction before and after the change in management. For more information on the online survey see Appendix 1. This approach is intended to capture influences of changes at management level on employee satisfaction and to create a general understanding of the dynamics of generational change in management positions. In addition, the online questionnaire offers the advantage of being independent of time and place, which means that an increased response rate can be expected.

### **3.2 Sample**

To obtain valid findings, the required sample size was calculated using a power analysis in G\*Power (with 80% power for  $d = 0.50$ ,  $\alpha = 5\%$ , tow-tailed tests for the comparison between Generations Y and Z vs. the other generations; Faul et al., 2007). This analysis resulted in a minimum sample size of 128. The target population was defined in the thesis as individuals who experienced a change at management level. This specific sample was determined in order to gain the most adequate findings and thus revealing insights into the effects of management changes on employee satisfaction. To achieve the recommended sample size, the survey was put online from 08.12.2023 to 02.02.2023. A convenience sample was used to select the survey participants, as this target population is generally easy to reach (Döring & Bortz, 2016). Participants were recruited in particular via social networks such as LinkedIn and Instagram, but also via contacts from my personal network, such as my current job and circle of acquaintances. The snowball method was also used. In this method, participants who have already been contacted are asked to recruit further survey participants in their networks with the aim of generating an increased number of contacts with potential test subjects (Döring & Bortz, 2016).

Using these methods, a total of 407 surveys were completed during the period. However, 266 people were excluded from the survey because they either had no experience of a change in management ( $N = 125$ ), did not answer the attention question correctly ( $N = 10$ ) or had not

completed the survey ( $N = 110$ ). Furthermore all survey previews ( $N = 21$ ) done in advance to test the practicability and reliability of the survey were excluded from the dataset as well. These criteria, which were defined in advance, resulted in a valid total sample of  $N = 141$  participants (47% male, 52% female, 1% prefer not to say). The age of the respondents was between 19 and 63 years ( $M = 37.71$ ,  $SD = 10.58$ ). The survey conducted also assessed whether people worked for FBs or SMEs. The classification of the size category of companies was based on the definition recommended by the EU Commission: 1 to 9 employees constitute a microenterprise, small enterprises employ 10 to 49 employees and medium-sized enterprises have between 50 and 249 employees (European Commission, 2005). Companies with more than 249 were classified as large enterprises. As a professional occupation is a prerequisite for this survey, it can be said that the entire sample has a job ( $N = 141$ ), with the majority of participants working in a company with fewer than 250 employees and thus in an SME (6.4% microenterprises, 23.4% small enterprises, 24.8% medium-sized enterprises, 45.4% large enterprises). Out of the entire sample, 64 participants were employed in a FB and 73 in a non-FB. Further information on the demographic background of the respondents can be found in Appendix 2.

### **3.3 Procedure**

At the beginning of the survey, a declaration of consent was obtained from the participants to ensure that they were aware of the content of the study and were taking part voluntarily. Demographic data was then collected. First, the gender and age of the participants were recorded. The nationality of the participants and their highest level of education were then asked. In the further course of the study, participants were asked to select their current employment status. For participants who were not in any employment status at the time of participation the survey ended. Further employment information was then requested to address the SMEs and FBs questions. Thus, participants were asked whether they worked in a FB and to provide information on the number of employees in the company where they currently worked. In the next step, participants were asked whether they were in a manager or employee role, and were also asked about their length of employment at the company. A further prerequisite for participation in the survey, in addition to an existing employment relationship, was the experience of a change of management. It was therefore checked whether participants had already experienced a change of management in their company and the survey only continued for participants who reported experiencing a change. In the next step, the participants were asked to evaluate the situation before and after the management change based on their personal experience and to answer the question of whether management training was offered

under the previous and current manager. In addition, a further question was asked to clarify in which areas changes could be identified after the change in leadership. In the meantime, an attention question was built into the questionnaire to ensure the quality of the data and the overall satisfaction with the changes in management was asked. In the final step, participants were asked to provide information on the gender and age of their previous and current manager. The gender and age of the previous manager was asked first, followed by the gender and age of the current manager. The question was deliberately included towards the end of the survey and after the satisfaction scale to avoid participants being overly aware of changes that may be due to the gender or age of the manager. At the end of the survey, participants could optionally leave comments and give a self-assessment of how much attention they paid to the survey.

### **3.4 Variable measurement**

#### **3.4.1 Main variables**

*Generation of the managers:* The independent variable, the generation of the previous and current manager, was measured categorically in this study. Based on the years of birth, the managers were assigned to the corresponding generational cohort by the participants. The study used the American definition to classify the generations, so that the following five cohorts were available as possible options: “born before 1945“, “born 1946 to 1964“, “born 1965 to 1980“, “born 1981 to 2000“ and “born 2001 and after“ (DeVaney, 2015; Reeves & Oh, 2008).

*Perception of employee satisfaction before change:* The dependent variable, employee satisfaction, was measured using the Minnesota Satisfaction Questionnaire (MSQ; Weiss et al., 1967), a recognized instrument for measuring job satisfaction. The MSQ serves as a central instrument in this work to record the subjective assessments and experiences of employees who have already experienced a change at management level and to analyze the resulting employee satisfaction. The long version of the MSQ contains 100 items, the short version 20 items. For the study in this thesis, a total of 10 items were selected to measure different facets of job satisfaction before the change of management. Selected were those work aspects that can be directly influenced by the manager's decisions and that explicitly affect the manager's behaviour. The participants were able to rate the ten work aspects surveyed using a five-point scale (1 = *Very dissatisfied*; 5 = *Very satisfied*; Weiss et al., 1967). The ten work aspects included questions about colleagues, supervisors, working conditions and skill utilization, among others. Since the ten items selected for this survey were based on a subset of the MSQ short form, the validity achieved from the MSQ short form may be an indication of the high

validity of the scale used in this thesis (Weiss et al., 1967). Based on these results, it can be said that the MSQ is particularly suitable for measuring employee satisfaction in this context.

*Perception of employee satisfaction after change:* To gain insight into changes in employee satisfaction, participants were asked to rate the same ten work aspects after the change in management using the same scale (1 = *Very dissatisfied*; 5 = *Very satisfied*; Weiss et al., 1967).

*Experience with change in management:* To examine eligibility to the study, participants were asked whether or not they had already experienced a change in management in their company.

*Areas of change following a change in management:* To gain a deeper understanding of the areas in which participants specifically perceived changes, a modification of the Young and Cater III (2019) items was used. Adjectives, which were used in the original study by Young and Cater III (2019) to describe the nouns more precisely, were omitted in the present study. For example „Optimistic company culture“ became „Company culture“. Therefore small adjustments were made which led to the identification of the following five areas which were also presented in a multiple-choice question with five items: “Leadership style“, “Teamwork“, “Corporate culture“, “Workplace environment“ and “Community service activities“. Participants were able to list further options in a text field.

*Offer of management training:* The question of whether or not management training was offered under the old and the new manager was part of the human resource management study by Reid et al. (2002) and is also of interest to identify further areas of changes before and after the change in management. The question consisted of the following three items: “Yes“, “Not sure“, “No“.

*Overall satisfaction with management changes:* Also based on the MSQ, the participants were asked about their overall satisfaction with the changes before and after the management change. This question was asked on a five-point Likert scale (1 = *Very dissatisfied*; 5 = *Very satisfied*; Weiss et al., 1967).

*Attention check:* To test the attention of the respondents during the study and thus identify inattentive participants, an attention check was incorporated (Curran & Hauser, 2019). The question, which tests whether participants have ever used a computer, was measured with a seven-point Likert (1 = *Strongly disagree*; 7 = *Strongly agree*). The attention check was only passed by people who had selected either "Strongly disagree" or "Disagree".

*Type of company:* The company affiliation of the participants was surveyed using an adapted version of a single-choice format provided by Qualtrics. This resulted in the possible answer options to the question of whether participants work in a family business being: “Yes“, “No“, “Not sure“ and “None of the above“.

*Number of employees:* The question about the number of employees in the company was about finding out whether people work in a SME or not. The corresponding answer could be selected from a single-choice question with four items, in which the company size was classified according to the EU definition: “< 10“, “< 50“, “< 250“, “> 250“ (European Commission, 2005).

*Length of employment:* Participants were also asked how long they had been employed at their company using a single-choice question with six options: “< 1 year“, “2-5 years“, “6-10 years“, “11-20 years“, “21-30 years“, “> 31 years“. The options were adapted from the Weiss et al. (1967).

*Details of professional position:* The participants were asked to provide information about their position in the company. The participants were asked to provide information about their position in the company using a single-choice question with two items to determine whether the participants had a "Manager" function or worked as an "Employee".

*Demographics:* The demographic variables include gender, which was recorded as either “Male“, “Female“, “Other“ or “Prefer not to say“, and age in years, which could be entered in a text field provided for this purpose. Furthermore, participants were able to select their nationality from 193 options using a drop-down format provided by Qualtrics. In addition, information on educational background and employment status was collected, which could be answered by the participants in a single-choice format provided by Qualtrics.

*Gender of previous and current manager:* As in the study by Reid et al. (2002), for the sake of completeness, participants were asked to provide information about the gender of their previous and current manager in a single-choice question with four items, same as in the self-reported demographic gender question.

## **4 Results**

### **4.1 Data preparation and scale reliability**

As a first step for the data analysis, reliability analysis was conducted. The scale for perception of employee satisfaction before the change in management obtained a Cronbach's  $\alpha$  of 0.91 and

the scale for perceptions after the change a Cronbach's  $\alpha$  of 0.93. Both values are in the range  $\alpha > 0.9$ , which is described as excellent (Nunnally, 1978). More details of the reliability analysis can be found in Appendix 3.

## 4.2 Descriptive statistics and bivariate correlations

The descriptive statistics provide more detailed insights into the distribution of the participants among the different types of companies, see Table 2. The respective affiliations of the respondents to a FB, non-FB, SME and a large company help to gain a more comprehensive understanding of the composition of the sample. For more descriptive statistics on the background information of participants occupation, see Appendix 4.

*Family business \* Small and medium-sized enterprises Crosstabulation*

		Small and medium-sized enterprises		Total	
		no	yes		
Family business	no	Count	44	29	73
		% within Family business	60,3%	39,7%	100,0%
	yes	Count	18	46	64
		% within Family business	28,1%	71,9%	100,0%
Total		Count	62	75	137
		% within Family business	45,3%	54,7%	100,0%

*Table 2: Distribution of Participants by Business Type*

The descriptive statistics also suggest that the perception of employee satisfaction before the change in management ( $M = 3.45$ ,  $SD = 0.84$ ) was in the medium range and that there was a slight increase in employee satisfaction after the change ( $M = 3.70$ ,  $SD = 0.81$ ). Another main variable that is important in the context of the analysis is the generation to which the previous and current manager belong. A rejuvenation of the management after a change of management can be identified on the basis of the study conducted. Most managers, before the transition, belonged to one of the older generations - Baby Boomers or Gen X (5.0% Traditionalists, 24.1% Baby Boomers, 38.3% Generation X, 28.4% Generation Y, 1.4% Generation Z, 2.8% I am not sure). In contrast, after the change in management, there was a trend towards younger generations - Gen Y and Gen Z - at management level (9.9% Baby Boomers, 33.3% Gen X, 51.8% Gen Y, 2.1% Gen Z, 2.8% I am not sure). This data shows that more than half of the new managers today belong to Gen Y, see Appendix 5.

Looking at Table 3, which contains the bivariate correlations, it becomes clear that there is no significant correlation between the gender of managers, whether before or after the management change, and employee satisfaction. However, statistically significant correlations can be

identified between the different types of company. On the one hand, FBs correlate positively with the perception of employee satisfaction after a change in management and, on the other hand, SMEs correlate positively with the presence of a male manager. Another pattern that can be observed based on the correlation between overall satisfaction and FBs is, that FBs favour overall satisfaction. It can also be seen that SMEs have younger managers, especially the most recent manager.

*Correlations*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Gender male (1)	--										
Gender male manager before (2)	-.107	--									
Gender male manager after (3)	-.221**	.299**	--								
Age (4)	-.011	.128	-.002	--							
Manager from Gen Y & Z before (5)	-.121	-.228**	-.059	-.232**	--						
Manager from Gen Y & Z after (6)	.048	-.112	-.077	-.328**	.370**	--					
FB (7)	.145	-.103	.081	.100	-.144	.163	--				
SME (8)	.176*	-.280**	-.122	-.172*	.178*	.339**	.322**	--			
Perc_before (9)	-.032	-.048	.057	.038	.119	.003	-.003	.015	--		
Perc_after (10)	-.088	-.073	-.015	-.127	.104	.115	.241**	.067	.462**	--	
Overall satisfaction (11)	-.020	-.034	-.059	-.148	.089	.141	.189*	.122	.024	.623**	--

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Table 3: Bivariate Correlation Table

### 4.3 Hypotheses testing

The following analyses of the hypotheses was conducted in the statistical software *IBM SPSS*.

H1, which posited that a change in management would have an influence in the job satisfaction of employees, was tested using a *t*-test for paired samples involving the variables perception of employee satisfaction before and perception of employee satisfaction after. The statistical analysis revealed that the *t*-test was significant,  $t(140) = -3.39$ ,  $p = .001$ . For test results, see Appendix 6. These results are an indication of an existing effect of a management change on employee satisfaction. Before the change, the average employee satisfaction was 3.45 ( $SD = 0.84$ ) and after the change in management 3.70 ( $SD = 0.81$ ). The effect size of  $d = 0.29$  indicates

a weak to medium-weak effect (the conventional cutoffs of 0.5 for intermediate and 0.8 for strong are used in this thesis). As a result, H1 is supported.

H2, which hypothesized that a change from an older generation to a younger generation would have particularly positive effect on job satisfaction, was tested with a single *t*-test for two independent samples with perception of employee satisfaction after as the dependent variable and change from an older generation to a younger generation as the independent variable. The application of this test requires that the dependent variable is quantitative, the independence of both samples, as well as a normal distribution of the data, an unknown population variance and finally an existing variance homogeneity of the present samples (Eid et al., 2017). The Levene test (Levene, 1960) confirmed the variance homogeneity of the samples  $F(1, 135) = 1.40, p = .239$ . The sample size of  $N = 141$  was divided in two groups, group one with  $N_1 = 95$  ( $M = 3.70, SD = 0.86$ ) includes the cases in which the new manager is older than the previous manager and group two,  $N_2 = 41$  ( $M = 3.72, SD = 0.71$ ) where the new manager belongs to a younger generation than the previous manager. Five participants answered „I am not sure“ and were therefore not considered further. The group difference was not significant after performing the *t*-test,  $t(134) = 0.16, p = .877$ . This means that H2 is not supported. For more details on the test, see Appendix 7.

H3 proposed that the presence of a young manager influences the job satisfaction of employees. A *t*-test for independent samples was used to test whether there is a significant difference in job satisfaction if the manager belongs to a younger or older generation. The hypothesis was tested using two groups: Group 1 in which a young manager from Generation Y or Z is present (Yes) and Group 2, in which no young manager is present (No). The assumption of variance homogeneity was met in this case  $F(1, 135) = 0.00, p = .956$ . A mean score of 3.79 for the group with a young manager compared to the group with no young manager with a mean score of 3.60 suggests that younger managers tend to be responsible for higher employee satisfaction. But, based on the *t*-test, no significant difference was found. Full results can be found in Appendix 8. H3 is therefore not supported,  $t(135) = 1.34, p = .182, d = 0.23$ .

To test H4 and H5, a repeated measures ANOVA was used with employee satisfaction before and after the change in management as the dependent variable and FB and SME as predictors.

To test H4, which anticipated that employee satisfaction after a change in management is greater in FBs than in non-FBs, the relationship between the two moments in time (before and after the change in management) and the variable whether the organization is an FB or not is considered.

In the repeated measures ANOVA time serves as the within-subject factor and the variable FB or non-FB is used as the between-subject factor. The descriptive statistics show that employee satisfaction averages 3.48 before the change in FBs and increases to 3.92 after the change. In contrast, employee satisfaction at non-FBs is 3.48 before the change of management and rises only minimally to 3.55 after the change. There is a significant main effect of time  $F(1, 134) = 12.55, p < .001, \eta^2_p = .09$ . This is an indication that there was an increase in employee satisfaction after the change. Also significant,  $F(1, 134) = 6.52, p < .012, \eta^2_p = .046$ , is the interaction between time and whether the company in which the employees are employed is a FB with a significant difference in FBs in the post-change job satisfaction, as can be seen in the parameter table,  $b = 0.365, SE = 0.13, p = .007$ . Thus, it was found that employee satisfaction in FBs increased more after a generational change in management than in non-FBs, see in Figure 2.



Figure 1: Employee Satisfaction before and after a Change in Management in FB vs. non-FB

To summarize, these results support H4 and, thus, employee satisfaction after a change in management is indeed higher in FBs than in non-FBs. See the full results in Appendix 9.

H5, which states that employee satisfaction after a change in management is higher in SMEs compared to larger companies, was also tested using the same repeated measures ANOVA as previously mentioned. Time was again used as a within-subject factor and the SME or non-SME variable as a between-subject factor. The descriptive statistics show that employee satisfaction before the change in management in SMEs was 3.51 on average, and 3.78 after the change. Employee satisfaction in non-SMEs shows a lower increase from 3.45 to 3.66. The time factor had a significant main effect  $F(1, 134) = 12.55, p < .001, \eta^2_p = .09$ . These results indicate an increase in employee satisfaction after the change in management in SMEs. However, the interaction between time and SME status was not statistically significant,  $F(1,134) = 0.18, p = .673$ . This leads to the conclusion that company size has no demonstrable

influence on employee satisfaction following a change in management. More details on the test can be found in Appendix 9. H5 is based on the results not supported.

In the end, there is no significant main effect of FB  $F(1,134) = 2.10, p = .150$  and no significant main effect of SMEs  $F(1,134) = 0.08, p = .781$ , which means that FBs and SMEs did not have higher employee satisfaction in general.

## **5 Discussion**

### **5.1 Research Findings**

Despite various studies in the individual research areas of employee satisfaction and leadership changes, there have been very few analyses to date that consider these two aspects in combination with generational change in organizations. Even fewer have examined these components with regard to the size of the company and whether the company is a FB or not. Therefore, in my study I wanted to explore how a change in management by Generations Y and Z can influence job satisfaction in general and FBs and SMEs in particular.

The review of the literature on leadership and employee satisfaction suggested that a change in management influences employee satisfaction (Lowe et al., 1996; Chiok Foong Loke, 2001; Berson & Linton, 2005). The results of this study confirm the hypothesis, as a significant difference in employee satisfaction was found before and after the change.

Contrary to the hypotheses, the study showed that a generational change from an older to a younger generation in management has no significant influence on employee satisfaction. Both hypotheses, that a change from an older to a younger generation of management has a particularly positive effect on job satisfaction, and that the presence of a young manager influences the job satisfaction of employees, could not be empirically supported. The fact that both hypotheses could not be confirmed is possibly due to the similarity of the research questions. This suggests that perhaps other aspects should be considered in the future that go beyond the generations of managers and could have a greater impact on employee satisfaction, or that an effect is present but requires a larger sample to determine it.

Interesting findings were found with regard to the perception of employee satisfaction in FBs and non-FBs. The study found that there is a statistically significant correlation between perceived employee satisfaction and FBs. The reason why employee satisfaction is higher in FBs than in non-FBs may be attributed to the unique and trusting relationships (Miller & Le Breton-Miller, 2005) on the one hand and the flexible structures that prevail in FBs on the other

(Goffee & Scase, 1985). These aspects suggest that FBs have particular aspects that may lead to a management transition increasing job satisfaction.

The results of the study, which examined whether employee satisfaction is higher in SMEs than in large companies, contradict the hypothesis. Even though employee satisfaction before and after the change was slightly higher in SMEs than in non-SMEs, no significant difference could be found between SMEs and non-SMEs.

## **5.2 Theoretical Implications**

The results have some relevant theoretical implications. In this paper, neither FBs nor SMEs were considered separately, but an integrative approach was chosen in which both types of organisation were combined and considered as a whole. In addition, the effects of different generations in management positions on employee satisfaction were considered. Therefore, this study contributes to the existing literature by examining the impact of generational change on employee satisfaction in this unique type of organisation. It provides detailed insights into the interplay of both organisational dynamics and illustrates the complexity of existing structures when management change occurs. This approach expands our existing knowledge of leadership change in family-run SMEs and could enable us to meet the individual needs of this type of company and the demands of future generations in the labour market in the future.

## **5.3 Managerial Implications**

From a managerial implications perspective, the results of the study show that family members and managers in FBs need to recognise the importance of their organisational structure and use it to their advantage. This is because a change in management leads to higher employee satisfaction in FBs than in non-FBs, although the specific aspects that lead to this success in FBs have not yet been fully explored. Managers from other types of companies should therefore be open to change at management level and analyse the factors that have led to successful management change in FBs and adapt these practices where necessary. FBs can therefore serve as a successful example and help for decision-makers from other types and sizes of organisations. This dissertation can therefore serve as an aid for family-run SMEs that are facing a change in leadership or are already in this process.

## **5.4 Limitations and Future Research**

This research provides detailed insights into the topic of generational change at management level and the effects of this change on employee satisfaction. Despite careful preparation and execution of the study, the results of the research are affected by limitations. These limitations

are presented below and used to derive appropriate recommendations for further research in this area.

The first limitation is due to time and cost aspects in the data collection. Perceptions of employee satisfaction were only recorded retrospectively in this study. This means that people were asked to provide information on the perception of various aspects of work at two points in time - before and after the change in management. This approach carries the risk that recall biases may unintentionally distort previous perceptions or may lead participants to make presumptive assumptions in order to provide necessary information (Talari & Goyal, 2020). Future research should therefore consider a longitudinal survey approach that asks respondents' perceptions at three points in time - before, during and after the transition process. This would make it possible to capture actual changes at actual points in time and thus gain insights into direct and indirect effects on employee satisfaction.

Secondly, social desirability bias is also a limitation in the present study. In the construct of social desirability, participants tend to give answers that are more socially desirable rather than answers that correspond to the real thoughts and feelings of these individuals. Social desirability poses a problem for data collection, especially for questions that concern personal topics or socially sensitive areas (Grimm, 2010). With regard to the information on employees' perceptions and evaluations of the change in management, it is possible that answers were given on the basis of social desirability. Future research could therefore be extended, either by eliminating questions whose responses evoke social desirability or by using the social desirability scale that takes into account possible biases (Grimm, 2010). In addition, future studies could make use of qualitative methods in which professionally trained interviewers gain comprehensive insights into the experiences of employees through in-depth interviews in which social desirability is also taken into account.

The final limitation is the limited scope for investigating Generation Z's impact as managers. Due to the fact that Generation Z was born between 2001 and today, this generation is only at the beginning of their academic or professional career (Al-Asfour & Lettau, 2014; Ozkan & Solmaz, 2015). Both in the literature and in practice, as this thesis has shown, the dynamics and work attitudes of Generation Z have therefore not yet been comprehensively researched. However, as Generation Z will be increasingly present in the world of work in the coming years, future studies should consider an in-depth investigation of this generation in order to capture their preferences in the work context and to be able to make more detailed statements regarding

changes in management positions due to Generation Z. It is therefore a recommendation that future studies consider different businesses, for example startups, to recruit people belonging to Generation Z for their sample.

## **6 Conclusion**

In today's dynamic business world, the results of this dissertation provide initial insights into the interaction between SMEs and FBs and how generational change at management level affects employee satisfaction. This study highlights the specific organisational culture that prevails in FBs and that family background in particular may be a driver for increasing employee satisfaction, as traditional succession practices in FBs may lead to a smoother transition from an manager of an older generation to a manager of a younger generation. The thesis contributes to the understanding of a change in management by Generations Y and Z and points out the particular challenges and opportunities in this context. In addition, the thesis provides a basis for how change in management by Gen Y and Z can be handled in the future. Future research can build on the results of this thesis.

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## Appendix

### Appendix 1: Survey

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#### Informed consent

Welcome and thank you for considering participating in this survey on management change in companies. I, Caroline Auer am conducting this survey as part of my Master Thesis at Católica Lisbon School of Business and Economics, under the supervision of Cristina Mendonça.

The survey consists of answering a series of questions on the subject of change at management level in organisations. It takes about 5 minutes to complete. The aim is to gain deeper insights into the effects of a change at management level in companies. Your participation will contribute to a deeper understanding of this topic.

**Please answer as honestly as possible.** All answers will be kept strictly confidentially and are anonymous. This means that it will not be possible to link your responses to your identity. The data collected will be used for research purposes only and may be presented in my thesis or disseminated in academic journals, always in an aggregated form, never about any individual response. This study is voluntary. You can choose to stop now or at any point after starting by simply closing this webpage. We ask you to take the study in one go, without interruptions.

If you have any questions about this study, please email Caroline Auer ([s-cmauer@ucp.pt](mailto:s-cmauer@ucp.pt)). By continuing you agree to participate.

Thank you!

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#### Demographical Questions

Question 1: Please indicate your gender

- Male
- Female
- Other
- Prefer not to say

Question 2: How old are you?

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Question 3: In which country do you currently reside?

▼ Drop-down menu from Qualtrics

Question 4: What is your highest level of education?

- Less than Secondary education
- Secondary education or equivalent
- Bachelor's degree or equivalent

- Master's degree
- Other (please specify)

Question 5: What is your current employment status?

- Employed
- Unemployed
- Student
- Worker and Student
- Retired
- Other (please specify)

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### Further Professional Information about Participants

Question 6: Is the company you currently work for a family business ( family owned / family managed / family controlled)

- Yes
- No
- Not sure
- None of the above

Question 7: How many workers are approximately employed in the company you are working in?

- < 10
- < 50
- < 250
- > 250

Question 8: Which of the following categories best describes your employment status?

- Employee
- Manager

Question 9: How many years have you been working for this company?

- < 1 year
- 2 – 5 years
- 6 – 10 years
- 11 – 20 years
- 21 – 30 years
- > 31 years

Question 10: During your time at the business, did you experience or are currently experiencing any change in management, such as a change from one CEO to another one?

- Yes
- No

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### Employee Satisfaction Rating before Change

Question 11: Based on your personal experience, please share information about your perceptions **before the change** in management and to what extent you agree with the following statements.

During my work under **the previous CEO**, this is how i felt about...

	Very Dissatisfied	Somehwat Dissatisfied	Neither Satisfied nor Dissatisfied	Somehwat Satisfied	Very Satisfied
... the chance to make use of my abilities and skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the way my boss takes care of the complaints of his/her employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the spirit of cooperation among my co-workers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the way I am noticed when I do a good job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the competence of my supervisor in making decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the working conditions (heating, lightning, ventilation etc.) on this job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the chance to try out some of my own ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the chances for advancement on this job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the policies and practices toward employees in this company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the feeling of accomplishment I get from the job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 12: Under the **previous CEO**, did the company ensure that employees in management roles receive management training?

- Yes
- Maybe
- No

## Employee Satisfaction Rating after Change

Question 13: Based on your personal experience, please share information about your perceptions **after the change** in management and to what extent you agree with the following statements.

During my work under the **new CEO**, this is how I feel about...

	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied nor Dissatisfied	Somewhat Satisfied	Very Satisfied
... the chance to make use of my abilities and skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the way my boss takes care of the complaints of his/her employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the spirit of cooperation among my co-workers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the way I am noticed when I do a good job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the competence of my supervisor in making decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the working conditions (heating, lightning, ventilation etc.) on this job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the chance to try out some of my own ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the chances for advancement on this job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the policies and practices toward employees in this company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... the feeling of accomplishment I get from the job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 14: Under the **new CEO**, did the company ensure that employees in management roles receive management training?

- Yes
- Maybe
- No

Question 15: In which of the following areas did you notice changes after the change in leadership?

- Team Work
- Company Culture
- Workplace Environment
- Community Service Activities
- Other (please specify)
- None

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**Attention Check**

Question 16: I have never used a computer

- Strongly disagree
- Disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Agree
- Strongly agree

---

**Attention Check**

Question 17: Overall, how satisfied are you with the management changes compared to before?

- Very dissatisfied
- Somewhat dissatisfied
- Neither satisfied nor dissatisfied
- Somewhat satisfied
- Very satisfied

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**Last Question concerning Overall Satisfaction on Change**

Question 18: Please indicate the gender of the **previous CEO** who was responsible for the management and leadership of your company?

- Male
- Female
- Other
- Prefer not to say

Question 19: Please indicate or try to indicate on which of the following generations your **previous CEO** belongs to:

- Born 2001 and after
- Born 1980 to 2000
- Born 1966 to 1979
- Born 1946 to 1965
- Born before 1946
- I am not sure

Question 20: Please indicate the gender of the **new CEO** who was responsible for the management and leadership of your company?

- Male
- Female
- Other
- Prefer not to say

Question 21: Please indicate or try to indicate on which of the following generations your **new CEO** belongs to:

- Born 2001 and after
- Born 1980 to 2000
- Born 1966 to 1979
- Born 1946 to 1965
- Born before 1946
- I am not sure

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### Final Questions

Question 22: Do you have any comments you would like to share with the researcher? If so, please write them in the box below. Otherwise just leave it blank.

Question 23: How much attention did you pay during this survey?

- None at all
- A little
- A moderate amount
- A lot
- A great deal

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### End of Survey text

Thank you for your participation in this study. Your response has been transmitted. In this study we actually want to study how a generational change in management positions can affect employee satisfaction in family businesses. For that, we investigated the experiences and perceptions of employees who have been involved in the process of a generational change in a family business and who can provide information on their employee satisfaction before and after the change.

## Appendix 2: Descriptive Statistics

### *Gender*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	66	46,8	47,5	47,5
	Female	73	51,8	52,5	100,0
	Total	139	98,6	100,0	
Missing	Prefer not to say	2	1,4		
Total		141	100,0		

### *Statistics*

#### Age

N	Valid	141
	Missing	0
Mean		37,7163
Median		35,0000
Std. Deviation		10,57715
Minimum		19,00
Maximum		63,00

### *List of Countries*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Austria	9	6,4	6,4	6,4
	Brazil	15	10,6	10,6	17,0
	Colombia	1	,7	,7	17,7
	Croatia	1	,7	,7	18,4
	Germany	63	44,7	44,7	63,1
	India	18	12,8	12,8	75,9
	Indonesia	1	,7	,7	76,6
	Italy	3	2,1	2,1	78,7
	Netherlands	1	,7	,7	79,4
	Spain	5	3,5	3,5	83,0
	Switzerland	1	,7	,7	83,7
	Turkey	1	,7	,7	84,4
	Ukraine	3	2,1	2,1	86,5
	United Kingdom of Great Britain and Northern Ireland	5	3,5	3,5	90,1
	United States of America	14	9,9	9,9	100,0
	Total	141	100,0	100,0	

*What is your highest level of education? - Selected Choice*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than Secondary education	5	3,5	3,5	3,5
	Secondary education or equivalent	37	26,2	26,2	29,8
	Bachelor's degree or equivalent	54	38,3	38,3	68,1
	Master's degree	37	26,2	26,2	94,3
	Doctoral degree	5	3,5	3,5	97,9
	Other (please specify)	3	2,1	2,1	100,0
	Total	141	100,0	100,0	

*What is your current employment status? - Selected Choice*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	128	90,8	90,8	90,8
	Worker and Student	13	9,2	9,2	100,0
	Total	141	100,0	100,0	

### Appendix 3: MSQ Scale Reliability

The perception of employee satisfaction before and after a change of management is abbreviated as Perception\_before and Perception\_after in this statistical analysis.

*Item-Total Statistics*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Perceptions_before_1	31,22	54,879	,719	,594	,903
Perceptions_before_2	31,41	54,258	,752	,637	,901
Perceptions_before_3	31,04	57,085	,598	,443	,910
Perceptions_before_4	31,16	55,750	,704	,536	,904
Perceptions_before_5	31,14	54,569	,723	,580	,903
Perceptions_before_6	30,96	56,970	,578	,379	,911
Perceptions_before_7	31,22	55,512	,701	,562	,904
Perceptions_before_8	31,36	56,605	,608	,462	,909
Perceptions_before_9	31,19	55,807	,717	,590	,903
Perceptions_before_10	31,15	55,107	,733	,613	,902

  

<i>Reliability Statistics</i>	
Cronbach's Alpha	N of Items
,914	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Perceptions_after_1	33,38	51,331	,741	,595	,916
Perceptions_after_2	33,39	50,401	,727	,598	,917
Perceptions_after_3	33,36	51,720	,668	,527	,920
Perceptions_after_4	33,27	51,132	,731	,601	,917
Perceptions_after_5	33,36	49,941	,684	,516	,920
Perceptions_after_6	32,98	53,116	,597	,464	,923
Perceptions_after_7	33,35	51,104	,765	,670	,915
Perceptions_after_8	33,54	50,163	,688	,555	,919
Perceptions_after_9	33,43	49,474	,763	,644	,915
Perceptions_after_10	33,28	49,588	,784	,694	,914

  

Reliability Statistics	
Cronbach's Alpha	N of Items
,925	10

## Appendix 4: More background information on participants occupation

*Is the company you currently work for a family business? (family owned / family managed / family controlled)?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	64	45,4	46,7	46,7
	No	73	51,8	53,3	100,0
	Total	137	97,2	100,0	
Missing	Not sure	1	,7		
	System	3	2,1		
	Total	4	2,8		
Total		141	100,0		

*How many workers are approximately employed in the company you are working in?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 10	9	6,4	6,4	6,4
	< 50	33	23,4	23,4	29,8
	< 250	35	24,8	24,8	54,6
	> 250	64	45,4	45,4	100,0
	Total	141	100,0	100,0	

*Which of the following categories best describes your employment status?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employee	129	91,5	91,5	91,5
	Managing director (CEO)	12	8,5	8,5	100,0
	Total	141	100,0	100,0	

*How many years have you been working for this company?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 year	22	15,6	15,6	15,6
	2 - 5 years	47	33,3	33,3	48,9
	6 - 10 years	38	27,0	27,0	75,9
	11 - 20 years	20	14,2	14,2	90,1
	21 - 30 years	8	5,7	5,7	95,7
	> 31 years	6	4,3	4,3	100,0
	Total	141	100,0	100,0	

## Appendix 5: Generation of previous and new CEO

*Please indicate or try to indicate on which of the following generations your previous CEO belongs to:*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Born 2001 and after	2	1,4	1,4	1,4
	Born 1980 to 2000	40	28,4	28,4	29,8
	Born 1966 to 1979	54	38,3	38,3	68,1
	Born 1946 to 1965	34	24,1	24,1	92,2
	Born before 1946	7	5,0	5,0	97,2
	I am not sure	4	2,8	2,8	100,0
	Total	141	100,0	100,0	

*Please indicate or try to indicate on which of the following generations your new CEO belongs to:*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Born 2001 and after	3	2,1	2,1	2,1
	Born 1980 to 2000	73	51,8	51,8	53,9
	Born 1966 to 1979	47	33,3	33,3	87,2
	Born 1946 to 1965	14	9,9	9,9	97,2
	I am not sure	4	2,8	2,8	100,0
	Total	141	100,0	100,0	

## Appendix 6: The impact of a change in management on employee satisfaction

### Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Perc_before	3,4511	141	,83850	,07061
	Perc_after	3,6957	141	,81328	,06849

### Paired Samples Correlations

		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	Perc_before & Perc_after	141	,462	<,001	<,001

### Paired Samples Test

		Paired Differences					t	df	Significance	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				One-Sided p	Two-Sided p
					Lower	Upper				
Pair 1	Perc_before - Perc_after	-,24468	,85731	,07220	-,38742	-,10194	-3,389	140	<,001	<,001

### Paired Samples Effect Sizes

		Cohen's d	Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
					Lower	Upper
Pair 1	Perc_before - Perc_after		,85731	-,285	-,453	-,117
		Hedges' correction	,85962	-,285	-,452	-,116

a. The denominator used in estimating the effect sizes.

Cohen's d uses the sample standard deviation of the mean difference.

Hedges' correction uses the sample standard deviation of the mean difference, plus a correction factor.

## Appendix 7: The effects of a generational change at management level on employee satisfacton

### Group Statistics

	Change_old_young	N	Mean	Std. Deviation	Std. Error Mean
Perc_after	yes	41	3,7195	,70965	,11083
	no	95	3,6958	,86085	,08832

### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				95% Confidence Interval of the Difference			
		F	Sig.	t	df	Significance One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
Perc_after	Equal variances assumed	1,400	,239	,155	134	,438	,877	,02372	,15297	-,27883	,32627
	Equal variances not assumed			,167	91,273	,434	,867	,02372	,14172	-,25777	,30522

### Independent Samples Effect Sizes

		Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
				Lower	Upper
Perc_after	Cohen's d	,81864	,029	-,337	,395
	Hedges' correction	,82326	,029	-,335	,393
	Glass's delta	,86085	,028	-,339	,394

a. The denominator used in estimating the effect sizes.

Cohen's d uses the pooled standard deviation.

Hedges' correction uses the pooled standard deviation, plus a correction factor.

Glass's delta uses the sample standard deviation of the control group.

## Appendix 8: The impact of a young manager on employee satisfaction

### Group Statistics

	Young_manager_now	N	Mean	Std. Deviation	Std. Error Mean
Perc_after	yes	76	3,7868	,81721	,09374
	no	61	3,6000	,80168	,10264

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference		
		F	Sig.	t	df	Significance		Mean Difference	Std. Error Difference	Lower	Upper
						One-Sided p	Two-Sided p				
Perc_after	Equal variances assumed	,003	,956	1,341	135	,091	,182	,18684	,13930	-,08865	,46234
	Equal variances not assumed			1,344	129,664	,091	,181	,18684	,13901	-,08817	,46186

Independent Samples Effect Sizes

		Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
				Lower	Upper
Perc_after	Cohen's d	,81034	,231	-,108	,568
	Hedges' correction	,81488	,229	-,107	,565
	Glass's delta	,80168	,233	-,107	,572

- a. The denominator used in estimating the effect sizes.  
 Cohen's d uses the pooled standard deviation.  
 Hedges' correction uses the pooled standard deviation, plus a correction factor.  
 Glass's delta uses the sample standard deviation of the control group.

## Appendix 9: Comparison of job satisfaction in FB and non-FB and SME and non-SME after a change in management

Between-Subjects Factors

	Value	Label	N
Is the company you currently work for a family business? (family owned / family managed / family controlled)?	1	Yes	64
	2	No	73
Small and medium-sized enterprises	0	no	62
	1	yes	75

Descriptive Statistics

		Small and medium-sized enterprises	Mean	Std. Deviation	N
Perc_before	Yes	no	3,4333	,89311	18
		yes	3,4957	,76506	46
		Total	3,4781	,79631	64
	No	no	3,4568	,81080	44
		yes	3,5241	,80519	29
		Total	3,4836	,80364	73
Total	no	3,4500	,82814	62	
	yes	3,5067	,77553	75	
	Total	3,4810	,79729	137	
Perc_after	Yes	no	4,0765	,73961	18
		yes	3,8565	,66555	46
		Total	3,9184	,68844	64
	No	no	3,4886	,75981	44
		yes	3,6517	,81136	29
		Total	3,5534	,77926	73
Total	no	3,6593	,79485	62	
	yes	3,7773	,72700	75	
	Total	3,7239	,75792	137	

Multivariate Tests<sup>a</sup>

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Time	Pillai's Trace	,086	12,552 <sup>b</sup>	1,000	134,000	<,001	,086
	Wilks' Lambda	,914	12,552 <sup>b</sup>	1,000	134,000	<,001	,086
	Hotelling's Trace	,094	12,552 <sup>b</sup>	1,000	134,000	<,001	,086
	Roy's Largest Root	,094	12,552 <sup>b</sup>	1,000	134,000	<,001	,086
Time * Family_business	Pillai's Trace	,046	6,524 <sup>b</sup>	1,000	134,000	,012	,046
	Wilks' Lambda	,954	6,524 <sup>b</sup>	1,000	134,000	,012	,046
	Hotelling's Trace	,049	6,524 <sup>b</sup>	1,000	134,000	,012	,046
	Roy's Largest Root	,049	6,524 <sup>b</sup>	1,000	134,000	,012	,046
Time * SME	Pillai's Trace	,001	,179 <sup>b</sup>	1,000	134,000	,673	,001
	Wilks' Lambda	,999	,179 <sup>b</sup>	1,000	134,000	,673	,001
	Hotelling's Trace	,001	,179 <sup>b</sup>	1,000	134,000	,673	,001
	Roy's Largest Root	,001	,179 <sup>b</sup>	1,000	134,000	,673	,001

a. Design: Intercept + Family\_business + SME  
Within Subjects Design: Time

b. Exact statistic

Tests of Within-Subjects Effects

Measure: MEASURE\_1

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Time	Sphericity Assumed	4,502	1	4,502	12,552	<,001	,086
	Greenhouse-Geisser	4,502	1,000	4,502	12,552	<,001	,086
	Huynh-Feldt	4,502	1,000	4,502	12,552	<,001	,086
	Lower-bound	4,502	1,000	4,502	12,552	<,001	,086
Time * Family_business	Sphericity Assumed	2,340	1	2,340	6,524	,012	,046
	Greenhouse-Geisser	2,340	1,000	2,340	6,524	,012	,046
	Huynh-Feldt	2,340	1,000	2,340	6,524	,012	,046
	Lower-bound	2,340	1,000	2,340	6,524	,012	,046
Time * SME	Sphericity Assumed	,064	1	,064	,179	,673	,001
	Greenhouse-Geisser	,064	1,000	,064	,179	,673	,001
	Huynh-Feldt	,064	1,000	,064	,179	,673	,001
	Lower-bound	,064	1,000	,064	,179	,673	,001
Error(Time)	Sphericity Assumed	48,061	134	,359			
	Greenhouse-Geisser	48,061	134,000	,359			
	Huynh-Feldt	48,061	134,000	,359			
	Lower-bound	48,061	134,000	,359			

Tests of Between-Subjects Effects

Measure: MEASURE\_1

Transformed Variable: Average

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Intercept	3495,716	1	3495,716	4188,357	<,001	,969
Family_business	1,751	1	1,751	2,098	,150	,015
SME	,065	1	,065	,078	,781	,001
Error	111,840	134	,835			

Parameter Estimates

Dependent Variable	Parameter	B	Std. Error	t	Sig.	95% Confidence Interval		Partial Eta Squared
						Lower Bound	Upper Bound	
Perc_before	Intercept	3,523	,129	27,410	<,001	3,269	3,777	,849
	[Family_business=1]	-,026	,145	-,182	,856	-,314	,261	,000
	[Family_business=2]	0 <sup>a</sup>	.	.	.	.	.	.
	[SME=0]	-,065	,146	-,448	,655	-,353	,223	,001
	[SME=1]	0 <sup>a</sup>	.	.	.	.	.	.
Perc_after	Intercept	3,554	,119	29,947	<,001	3,319	3,788	,870
	[Family_business=1]	,365	,134	2,723	,007	,100	,630	,052
	[Family_business=2]	0 <sup>a</sup>	.	.	.	.	.	.
	[SME=0]	,000	,134	-,001	,999	-,266	,266	,000
	[SME=1]	0 <sup>a</sup>	.	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

