

Will Your Nonfamily Employees Defend Your Business?

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A stewardship climate, where employees feel trusted and truly valued, mobilizes nonfamily employees to defend the family firm against reputational threats.

Family businesses often enjoy strong reputations built on trust, long-term relationships, and a name that carries weight in the community. But that same family name can make them especially vulnerable when something goes wrong. A bad review, public criticism, or crisis can hurt both the business and the family's legacy. Family members usually defend the firm instinctively. But in most family businesses, about 80% of employees aren't family. That means the family can't be the only ones standing up for the company's good name.

We wanted to know: Can nonfamily employees be inspired to defend the family firm's reputation just as strongly as family members do—especially during a crisis?

We expected that nonfamily employees would defend the business less than family employees—not because they don't care, but because they don't "own" it in the same way. But we also believed something could close that gap: a strong stewardship culture—a work environment where leaders involve employees in decisions, reward fairness and teamwork, and focuses on what truly motivates people from within. In these firms, employees feel trusted and valued through opportunities for growth, meaningful work, and recognition for a job well done. Practically, this might involve being consulted on important decisions rather

than simply being told after the fact that an important organizational decision has been made, having autonomy within their jobs, and receiving genuine praise and appreciation from their bosses.

What We Studied

We worked with 49 family businesses in Ireland during summer 2020—a year when many companies were under intense public scrutiny due to COVID-19. We gathered information from two groups at each of these firms: family and nonfamily employees. We asked how strongly they felt a personal connection to the business—what academics call *psychological ownership* (in everyday terms, whether they think of the company as "mine" or "theirs.") This concept is particularly important in family firms where those with and without direct ties to actual legal ownership work side-by-side, thus influencing their ability to develop a sense of psychological ownership. We asked about their workplace culture: Do managers listen? Do they share information? Do people work as a team? These questions helped us measure the firm's *stewardship climate*.

We also talked with CEOs. We asked them to rate how often those same employees actually *defended the company's reputation*. For instance: "This person stops others from speaking badly about the business." Such behaviors became more observable during COVID, when many family firms' reputations were unfairly denigrated.

What We Found

Our research told us that people are more likely to defend something that they feel they own, either materially or psychologically. Without legal or family ties,

nonfamily employees usually feel less psychological ownership and are less likely to defend the family firm's reputation.

But a strong stewardship climate changes everything. In family firms with inclusive, empowering leadership (i.e., a stewardship culture), nonfamily employees felt just as much ownership as family members, and defended the firm just as strongly. When the firm's reputation was under threat, nonfamily employees in high-stewardship workplaces didn't back away: They rallied to defend the company. What surprised us was how *complete* that transformation was. In firms with strong stewardship cultures, the typical "family vs. nonfamily" gap in defense behavior disappeared.

Even nonfamily employees at these firms spoke with genuine pride and ownership. One said: "I feel I have been allowed the autonomy to give input and help shape the business and lives of the employees within the business. I love my job, and I love having the opportunity to work for a company that cares about their employees." Another echoed that inclusive tone: "The company I work for makes every employee feel part of the team/family and that everyone's opinion and work matters to make our company the best it can be."

In contrast, employees in firms with a low sense of stewardship felt differently. One told us: "Employees generally see the four directors as the owners of the business and everyone else as just employees." Others said they felt "under-appreciated for the extra effort" or that "the business didn't fully live up to the values of respect and integrity during the COVID pandemic."

It's worth noting that during COVID, the time frame for our study, employees often became frontline workers, needing to defend the firm and its choices to customers, for instance.

"When we first returned, customers were grateful and happy to see us back," said one. "As time has gone on, many customers' attitudes have become hostile ... they cannot understand 'why we aren't back opening late nights,' 'why their favourite meals aren't on the menu,' 'why we are closed on Mondays,' and 'why they can't have tables of over 6 people.' Many customers were quite aggressive towards [company] when discussing these issues."

A high stewardship culture helped employees weather tough times like these. "The morale in the business has

been maintained at an extremely high level due to the enduring family core values instilled in the senior leadership," one employee told us. "[The owner's] consistent message is for staff to have the right work/life blend, and not to work for clients who disrespect our staff or our business."

Takeaways

To encourage all employees to feel the sense of ownership that motivates them to defend your firm's reputation, cultivate a high stewardship workplace where they feel respected, trusted, and included in shaping the business. If you want nonfamily employees to defend your family's name, treat them like stewards—not like hired hands.

People protect what they feel part of. You don't have to give everyone shares or a family name. Family owners can build this by:

- Asking for employee input on decisions and showing that the input genuinely matters
- Sharing information openly so employees understand what is happening and why – this is particularly important during times of crisis
- Recognizing and appreciating good work in real time
- Letting employees use their judgment rather than micromanaging
- Modeling the family's values by treating people fairly and consistently

When people feel trusted and valued, they naturally start saying, "That's *my* company too." And when someone criticizes it, they speak up.

Leaders should also encourage managers to lead collaboratively, involve employees in solving problems, and show that everyone's opinion matters. How you talk about reputation also matters: Make it everyone's business. Talk openly about how reputation ties to shared success. Replace "the family's reputation" with "our reputation." And when employees step in to protect the firm—whether that's calming a frustrated customer or correcting misinformation online—celebrate it. That's stewardship in action.

The time to do this is now, before the next crisis. Reputation crises happen fast. A stewardship culture ensures employees already feel ownership, so they'll know how to act when it counts most. The difference

between family and nonfamily isn't fixed. It's shaped by culture.

When family firms treat employees like trusted stewards, not just workers, they gain powerful allies in protecting their most valuable asset: their reputation. Even employees without the family name can defend the business "like family" when they feel included, empowered, and respected.

Explore the Research

Burrows, S., Crossley, C., Faherty, C., & Combs, J. G. (2025). *Guardians of Reputation: How Stewardship Climate Mobilizes Nonfamily Employees to Defend Against Reputational Threats* (<https://journals.sagepub.com/doi/10.1177/08944865251370851>). *Family Business Review*, September 2025