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SOCIAL SCIENCES INSTITUTE

DEPARTMENT OF BUSINESS ADMINISTRATION

THE EFFECT OF LEADERSHIP STYLES ON EMPLOYEE MOTIVATION: A RESEARCH ON FAMILY-OWNED BUSINESSES THE CASE OF ISTANBUL

MA Thesis

Faruk ÜNLÜ

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ABSTRACT

Family-owned businesses hold significant value due to their importance in national and international economies. The sustainability of these businesses is closely linked to the performance and motivation of employees. Therefore, this study aims to provide a new perspective on the relationship between leadership styles and employee motivation in the context of family-owned businesses, which is distinct from numerous studies in the literature that investigate the impact of leadership styles on employee motivation. Furthermore, the empirical findings obtained from survey data support theoretical discussions.

The research population consists of all family-owned businesses operating in Istanbul. The research sample was determined using a convenience sampling method. In this regard, a total of 14 family-owned businesses were selected, predominantly from the construction sector, representing 11 different sectors in total. Random access was made to employees of these businesses, and an online survey was sent to 440 employees. Out of these, 260 responses were received, and the analysis proceeded with a sample size of 260 units.

Using the obtained data, a regression model was established with leadership styles of managers in family-owned businesses as the independent variable and employee motivation as the dependent variable. The effects of the independent variable on the dependent variable were examined. As a result of the analysis conducted through a survey study carried out in family-owned businesses operating in Istanbul, it was observed that the leadership styles of business leaders influenced employee motivation. According to the data obtained, an autocratic leadership style was found to have a negative effect on employee motivation. However, democratic and fully participatory leadership styles were found to have positive effects on employee motivation.

This study seeks to provide a valuable contribution to the existing literature on family-owned businesses, leadership styles, and employee motivation, while also offering significant insights for future research.

Keywords: *Family-Owned Business, Leadership Styles, Employee Motivation*

ÖZET

Aile işletmeleri, ulusal ve uluslararası ekonomilerdeki önemlerinden dolayı büyük bir değere sahiptir. Bu işletmelerin sürdürülebilirliği ise çalışanların performansı ve motivasyonu ile yakından ilişkilidir. Bu nedenle, literatürdeki liderlik tarzlarının, çalışan motivasyonu üzerindeki etkisini araştıran birçok çalışmadan farklı olarak bu çalışma, aile işletmelerinde gerçekleştirilmiş olup, liderlik ve çalışan motivasyonu ilişkisine aile işletmeleri bağlamında yeni bir perspektif sunmayı amaçlamaktadır. Ayrıca, anket verileri kullanılarak elde edilen ampirik bulgular, teorik tartışmalara destek sağlamaktadır.

Çalışmada İstanbul'da faaliyet gösteren tüm aile işletmeleri araştırma evrenini oluşturmaktadır. Araştırma örneği kolayda örnekleme metodu ile belirlenmiştir. Bu kapsamda ağırlıklı inşaat sektöründe olmak üzere toplamda 11 farklı sektörde yer alan toplam 14 aile işletmesi seçilmiştir. Bu işletmelerde çalışanlara rastgele ulaşılarak, 440 çalışana çevrimiçi anket gönderilmiştir. 260 çalışandan dönüş alınmış ve analizlere 260 birim ile devam edilmiştir.

Elde edilen veriler ile, aile işletmelerindeki yöneticilerin liderlik tarzları bağımsız değişken, çalışan motivasyonu bağımlı değişken olmak üzere regresyon kurulmuş ve bağımsız değişkenin bağımlı değişkene olan etkileri incelenmiştir. Analizler sonucunda, İstanbul'da faaliyet gösteren aile işletmelerinde gerçekleştirilen anket çalışması sonucunda, işletme liderlerinin liderlik tarzlarının çalışan motivasyonunu etkilediği gözlemlenmiştir. Elde edilen verilere göre, otokratik liderlik tarzının çalışan motivasyonu üzerinde olumsuz bir etkisi olduğu belirlenmiştir. Bununla birlikte, demokratik ve tam katılımcı liderlik tarzlarının ise çalışan motivasyonu üzerinde pozitif etkilere sahip olduğu tespit edilmiştir.

Bu çalışma, aile işletmeleri, liderlik tarzları ve çalışan motivasyonu konularındaki mevcut literatüre değerli bir katkı sağlamayı ve gelecekteki araştırmalar için önemli bilgiler sunmayı hedeflemektedir.

Anahtar Kelimeler: *Aile İşletmesi, Liderlik Tarzları, Çalışan Motivasyonu*

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TABLE OF CONTENTS

LIST OF FIGURES

PAGE

LIST OF TABLES

PAGE

INTRODUCTION

In the contemporary business landscape, characterized by globalization and intense competition, the significance of strategic management has grown exponentially for businesses striving to achieve success (Altındağ, 2011). Consequently, new management theories and organizational structures specific to family-owned businesses have garnered increased attention. Research conducted by EY and St. Gallen University indicates that approximately 95% of all businesses operating in Turkey can be classified as family-owned businesses. Moreover, family-owned businesses hold a substantial position in the global economy and play a vital role in employment (Canoğulları, 2020). The world's top 500 family-owned businesses collectively generate an astounding $8.02 trillion in revenue and employ a staggering 24.5 million individuals worldwide (Robertson et al., 2023). Given the significant contributions of family-owned businesses to both the national and global economy, their existence and sustainability assume paramount importance.

The motivation and job satisfaction of employees holds significant importance in facilitating the achievement of organizational goals and objectives, thereby contributing to the overall sustainability of businesses (Badubi, 2017). Leadership assumes a crucial role in goal attainment, establishing organizational structure, and inspiring and guiding employees to adapt to prevailing circumstances. Leadership, being a professional domain that necessitates specialized skills, presents unique challenges in the context of family-owned businesses, which are often founded and managed by non-professional family members. In the case of family-owned businesses, leadership serves as a unifying force, bringing together family members and professional employees under a shared vision (Tuncel, 2011). The performance and motivation of employees within these businesses are intricately linked to the leadership styles employed.

Within the context outlined, the initial part of this study provides a comprehensive framework encompassing family-owned businesses, their positioning within the global and national contexts, various leadership styles, and fundamental concepts related to motivation. Subsequently, the second part delves into diverse perspectives on employee motivation. The third part elucidates the employed research methodology and presents the obtained findings. Lastly, the concluding part engages in a comprehensive analysis of the results, initiates a discussion on the implications, and offers pertinent recommendations for further exploration.

Despite the existence of numerous domestic and international studies that individually investigate family-owned businesses, leadership styles, and employee motivation concepts within the literature, the scarcity of studies that concurrently explore all three constructs is evident. In line with the investigation conducted by Sönmez (2022) in the International Journal of Social Sciences, the present study endeavors to examine the potential impact of leadership styles in family-owned businesses on employee motivation. To this end, an online questionnaire was administered to a sample of 440 employees from 14 family-owned businesses situated in Istanbul, employing the convenience sampling method. Through the utilization of collected data, reliability, validity, correlation, and regression analyses were performed to elucidate the relationship between leadership styles, posited as independent variables, and employee motivation, regarded as the dependent variable.

1. THEORETICAL FRAMEWORK ON LEADERSHIP IN FAMILY-OWNED BUSINESSES

The management processes, managers, and leaders play a crucial role in all organizations; however, their significance assumes a distinct nature within the realm of family-owned businesses. This distinction arises from the fact that family-owned businesses are commonly established by business owners who initially prioritize family members' leadership over formal management and managerial concepts (Fındıkçı, 2005). This emphasis on family leadership underscores the unique dynamics and significance of familial influence in the context of family-owned businesses, potentially shaping their long-term viability and achievements.

The examination of leadership and family-owned businesses necessitates separate and comprehensive investigations. Leadership holds a pivotal role in establishing and fostering connections within the organization, particularly through effective employee engagement, talent management, and retention strategies (Cortellazzo, et al., 2019). Undoubtedly, leadership is a professional domain that demands specialized skills and expertise. Conversely, family-owned businesses are businesses founded and expanded by non-professional family members. In these unique contexts, the intersection of leadership and familial relationships becomes apparent as family members and professional employees converge to pursue shared objectives. This section encompasses an exploration of both family-owned business and leadership as distinct concepts, with a specific focus on underscoring the significance of leadership concepts within family-owned business management, as emphasized in relevant research.

1.1. Understanding Family-Owned Businesses

Strategic management has gained paramount importance for companies aiming to prosper in a globalized and fiercely competitive market since the mid-20th century. The adoption and application of novel management theories confer a competitive edge upon organizations operating in a rapidly evolving business landscape. Consequently, family-owned businesses have emerged as notable contenders in the market, particularly concerning their organizational structures (Altındağ, 2011). Moreover, to endure in the contemporary dynamic environment, family-owned businesses must demonstrate superior performance relative to their competitors.

1.1.1. Defining Family-Owned Business: Exploring the Various Perspectives

The examination of research about family-owned businesses reveals a notable ambiguity in defining this term. Consequently, within academic studies, researchers encounter challenges in formulating a universally accepted definition for family-owned businesses, leading to diverse and disparate explanations on the subject matter.

The absence of a universally agreed-upon definition for family-owned businesses is a dilemma. This lack of consensus arises from the influence of various factors, including the manner of establishment, the leader's personality, the family's cultural values, the family's size, and the industry in which the business operates. Consequently, classifying a family-owned business with precise boundaries becomes a challenging task (Fındıkçı, 2005). Another definition of a family-owned business encompasses the engagement of a minimum of two family members who hold an ownership stake of 15 percent or higher, active participation of family members in the operational activities of the business, and the presence of a long-term strategic plan to preserve control over the business (Poza, 2013). In light of these variations in defining family-owned businesses, it is essential to consider the contextual nuances and perspectives when examining this distinct form of business.

Family-owned businesses are commercial entities where one or multiple families possess a majority of the voting power or hold control over the management. Essentially, these businesses are established by individuals who are connected through familial relationships to generate profits by providing goods or services. The family exerts significant influence in both the establishment and the management of family-owned businesses (Deloitte et al., 2016). Recognizing the pivotal role of the family in shaping the identity, decision-making processes, and long-term sustainability of these businesses becomes imperative for effectively managing and studying this distinct form of business.

Family-owned businesses can be defined as businesses that are owned and managed by a single family or a family clan. This definition emphasizes that the ownership and control of these businesses remain within the family, irrespective of the business' size or its growth in the market. Family-owned businesses are recognized as a crucial foundation for socioeconomic development and achieving international success. Furthermore, the significance of leadership concepts implemented within family-owned businesses highlights their role in the overall functioning and performance of such businesses (Budur, 2022). Considering the multifaceted nature of family-owned businesses, studying their governance structures, succession planning, and leadership dynamics becomes imperative for comprehending their long-term sustainability and growth.

Astrachan and Shanker (2003) offer three distinct ways to define family-owned businesses, as illustrated in Figure 1. The broad definition encompasses businesses in which the family maintains control over the business' strategic direction. The mid-range definition includes family members actively engaged in the daily operations of the business, in addition to the family's control over its strategic direction. The most stringent definition is limited to firms where the family possesses voting control over the business and multiple generations of the family are involved in the day-to-day management. The authors emphasize that the entrepreneur's long-term vision for the

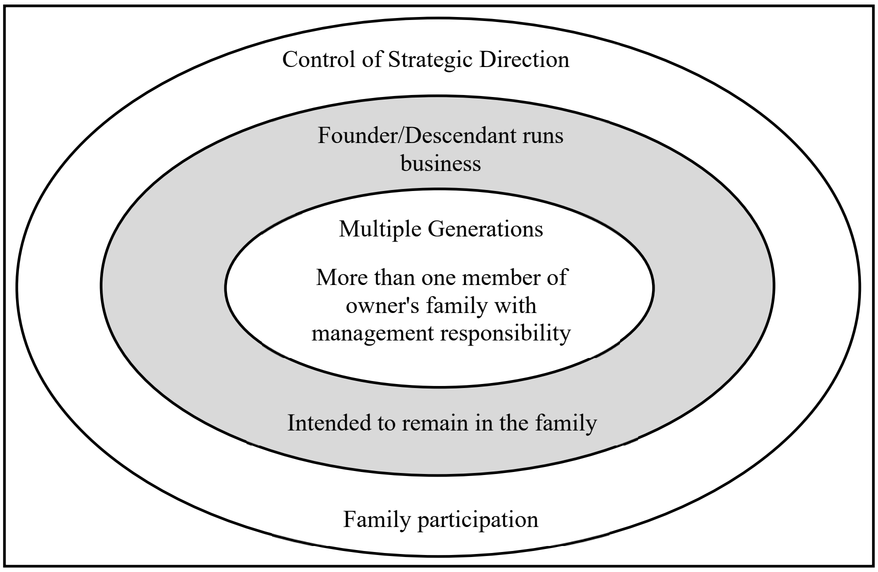

Figure 1: Family-Owned Business Universe
Reference: Astrachan & Shanker, 2003

business plays a crucial role in defining a family-owned business. Figure 1 provides a visual representation of these three definitions.

According to the definitions provided by the Merriam-Webster Dictionary (2023), a family-owned business is described as "a business owned or operated by one's family," while the Collins dictionary (2023) defines a family-owned business as "a business that belongs to a family, and in which family members work." These definitions emphasize the central aspects of "family, family-owned, and family-run" in characterizing such businesses.

An alternative definition of family-owned businesses is being owned by one or multiple members of the same family. It is important to consider situations where a family-owned business can be owned by multiple families (Fiaz & Uludağ, 2019). A study to identify the defining factors of family-owned businesses, highlighting four key factors. The first factor involves assessing whether a dominant family group possesses more than 50 percent ownership in the business. The second factor examines the perception of the venture as a family-owned business by individuals from an "emotional kinship group." The third factor evaluates whether the business is exclusively managed by members of a single dominant family group. Finally, the fourth criterion investigates whether the business has undergone a generational transfer of ownership from the same dominant family group to the succeeding generation of family members. It should be noted that other researchers have also considered additional conditions when characterizing family-owned businesses (Westhead et al. 2002). Therefore, understanding the complexities and various dimensions of family ownership structures is essential for a comprehensive understanding of family-owned businesses.

Drawing on the perspectives of various experts, the concept of a family-owned business is rooted in the dynamics of kinship groups. It represents a structure in which individuals from one or multiple families unite to uphold familial values, traditions, and culture. The decision-making authority predominantly rests with these individuals, and the ownership rights of the business are held by the family.

In the following section, a comprehensive analysis will be presented to elucidate the distinctive attributes of family-owned businesses.

1.1.2. The Unique Characteristics of Family-Owned Businesses

Family-owned businesses possess distinctive characteristics that set them apart from other types of businesses. Some of these characters are as follows; these businesses typically exhibit a small-scale operational scale and adopt a simplified organizational structure. Their policies and strategies are shaped by family interests, often influenced by interpersonal family dynamics. Crucial business decisions are commonly entrusted to the founder, a family member, or a manager under family control. Robust relationships are established with suppliers, customers, and financing institutions to ensure stability. The management structure often adopts a hierarchical approach, wherein senior family members retain decision-making authority. Younger family members are actively involved in the business, facilitating a smooth transfer of ownership and enabling them to gain firsthand insights into operational intricacies, priorities, and challenges. The family clan significantly influences the business, while the business itself exerts an impact on the family members' dynamics (Kamacı, 2020). These distinctive characteristics play a significant role in shaping the interplay between family dynamics and business operations within family-owned businesses.

Family-owned businesses exhibit unique characteristics and practices, as highlighted by Deloitte et al. (2016). These businesses tend to display a certain resistance to change and a higher level of risk aversion in comparison to non-family businesses, emphasizing the preservation of traditional values and established processes. They often opt to refrain from seeking external capital or forming partnerships to safeguard the family's reputation. Hiring decisions are influenced by family relationships, placing a higher emphasis on trust rather than expertise, potentially leading to less qualified family members occupying senior positions. The CEO position is typically held by the founder or owner of the business, while family members contribute financial support during challenging periods. Family assets serve as a reserve fund for the business and may also be utilized for personal needs, resulting in the dual utilization of resources (Deloitte et al., 2016). Therefore, to effectively navigate the complexities of family-owned businesses and ensure their long-term success, it is crucial to acknowledge and account for these intricate dynamics.

In addition to the distinctive characteristics that set family-owned businesses apart from other types of businesses, numerous studies in the literature have explored the strengths and weaknesses associated with these businesses. There are several advantages and disadvantages specific to family-owned businesses. Noteworthy advantages include a robust reputation and credibility, enhanced customer loyalty, and the ability to make prompt decisions. Additionally, family-owned businesses benefit from continuity, the preservation of tradition, and a committed workforce. Clear management structures within these businesses facilitate long-term planning and the pursuit of shared family objectives (Akdoğan, 2000). Considering these distinct advantages, family-owned businesses are well-positioned to leverage their reputation and customer loyalty while maintaining their commitment to tradition and long-term objectives, contributing to their overall success and competitiveness in the business landscape.

Nevertheless, family-owned businesses encounter various challenges including the prevalence of nepotism, centralized decision-making, conflicts of authority, restricted decision-making capabilities, a propensity for conservatism, internal conflicts, crises associated with management succession, challenges in staffing, and a potential lack of motivation. These obstacles reflect the complexities that arise from the interplay between family dynamics and business operations within family-owned businesses (Akdoğan, 2000). Family-owned businesses face distinct hurdles that require careful management and governance strategies to navigate and mitigate these challenges effectively.

Despite some experts suggesting an average lifespan of approximately 24 years for family-owned businesses, large organizations such as Walmart, Walt Disney, Ford Motor, and Toyota have defied this notion. These companies have effectively capitalized on the distinctive advantages afforded by their family-owned status, including expeditious decision-making, heightened motivation for success, accelerated growth, a sense of cohesion derived from familial bonds, reciprocal respect, and a shared sense of responsibility. Furthermore, they have prioritized the preparation of the next generation of family members to assume future leadership roles within the business, diligently equipping them with the requisite knowledge and skills to perpetuate the business' legacy (Tuncel, 2011). Through their sustained success and multi-generational longevity, these exemplary family-owned businesses serve as inspiration and testament to the enduring potential and resilience of such businesses.

1.1.3. The Importance of Family-Owned Businesses in the Global Economy and Turkey: A Statistical Overview

Family-owned businesses hold great significance for both the Turkish economy and the global economy, particularly in addressing the detrimental impact of economic crises, such as unemployment. Consequently, the study of family-owned businesses has emerged as a crucial research domain in recent times (Gözen, 2018). As highlighted by Arslan (2006), numerous companies exerting considerable influence on the economies of developed nations either originated as family-owned businesses or have endured as such. The historical roots of family-owned businesses extend far beyond multinational corporations, the Industrial Revolution, the Greek Enlightenment era, and even the Roman Empire, underscoring their enduring presence in the business landscape.

1.1.3.1. The Role and Challenges of Family-Owned Businesses in the Global Economy

Family-owned businesses hold a notable position in the global economy due to their scale, economic impact, and overall significance, thus warranting careful consideration and recognition. The operations and contributions of these businesses are deemed essential and irreplaceable components within the framework of the world economy (Gözen, 2018).

As indicated by Robertsson et al. (2023), the latest edition of the EY and St. Gallen's Family Business Index reveals a notable growth trend among the top 500 family-owned businesses, surpassing the global economic growth rate. In comparison, developed economies are experiencing a growth rate of half, while emerging markets and economies are growing at three-fifths of these family-owned businesses. Collectively, these businesses generate significant revenues amounting to $8.02 trillion and provide employment opportunities to approximately 24.5 million individuals on a global scale.

The research findings indicate that the EMEIA region, comprising Europe, the Middle East, India, and Africa, accommodates more than half (50.4%) of the companies listed

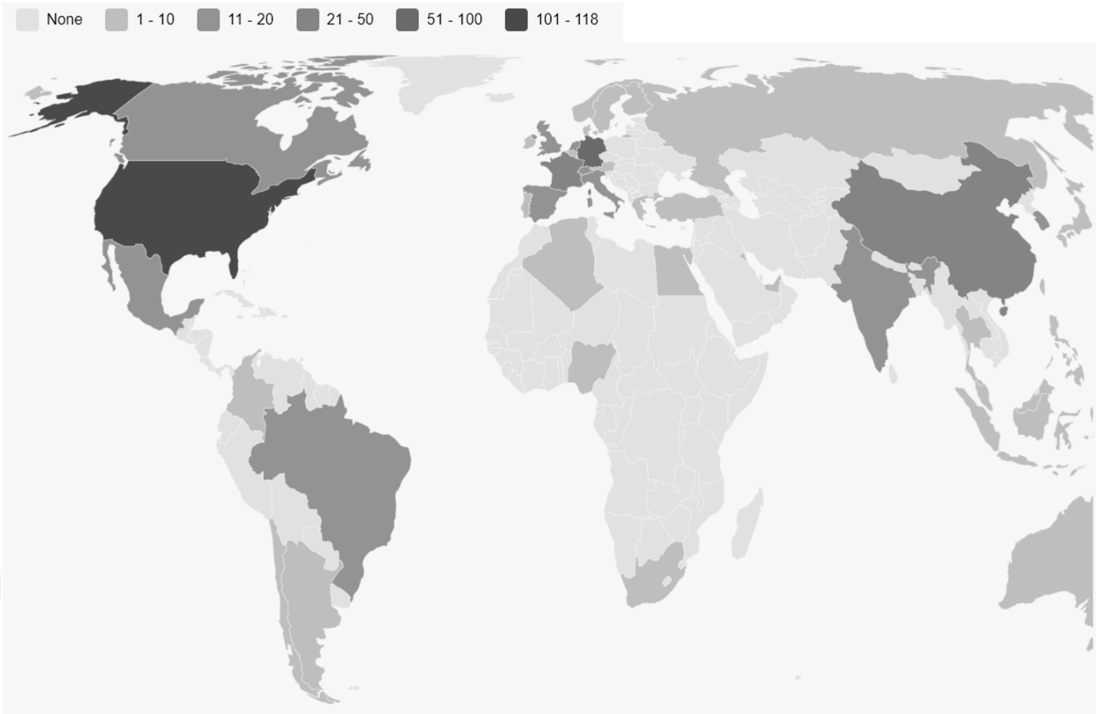

Figure 2: Countries where the world's 500 largest family-owned businesses are headquartered.
Reference: Robertsson et al., 2023

in the Index. These companies collectively generate a revenue of US$3.46 trillion, constituting 43.2% of the total revenue. Notably, Europe alone contributes $3.05 trillion to this revenue. Germany emerges as a prominent driver of the robust family-owned business tradition in Europe, hosting 78 family-owned businesses included in the Index, with a total revenue of $1.13 trillion and employing 3.35 million individuals. Germany accounts for nearly one-third (31%) of the largest family-owned businesses within the EMEIA region (Robertsson et al., 2023).

The Americas region, comprising North and South America, is predominantly influenced by the United States, the largest global economy. Nearly a quarter (23.6%) of the companies listed in the Index originate from the United States, contributing over a third (34%) of the total revenue generated by all companies. Notably, seven out of the world's top 10 largest family-owned businesses are situated in the United States. Although the number of companies from the Americas included in the Index is lower compared to the EMEIA region, their collective revenue contribution amounts to approximately $3.4 trillion, nearly equivalent to that of the EMEIA region (Robertsson et al., 2023).

Within the Asia-Pacific region, the latest Index data reveals the presence of 79 listed companies categorized as family-owned businesses. This group of companies has achieved a notable milestone by collectively generating revenue surpassing the US$1 trillion mark for the first time. Furthermore, their average revenue has experienced a growth rate of 15% compared to the previous Index assessment. In terms of regional distribution, Hong Kong claims the highest count of family-owned businesses with a total of 18 companies. However, when considering the proportion of revenue contribution, South Korea stands out, accounting for 30% of the Asia-Pacific region's combined revenue, which amounts to US$1.16 trillion (Robertsson et al., 2023).

Based on a comprehensive study conducted by The STEP Project Global Consortium and KPMG, which analyzed a sample of 2,439 family-owned businesses across 70 countries in 2022, the leadership distribution among these companies was as follows: 40% were led by first-generation leaders, 40% by second-generation leaders, 14% by third-generation leaders, 4% by fourth-generation leaders, and 2% by fifth-generation or subsequent generations. The study further revealed that 81% of these businesses were headed by male CEOs, while 19% had female CEOs. In terms of age demographics, the CEOs were categorized as follows: 3% belonged to the Silent Generation (born between 1925 & 1945), 35% were from the Baby Boomer generation (born between 1946 & 1965), 44% were from Generation X (born between 1965 & 1980), and 18% were from the Millennial generation (born between 1981 & 1996) (Calabrò & McGinness, 2022). These findings shed light on the diverse leadership profiles and generational transitions within family-owned businesses globally, underscoring the importance of understanding and effectively managing these dynamics for long-term success and sustainability.

The research cited from Global Family Counselors and referenced by Tuncel (2011) sheds light on the various factors contributing to the dissolution of family-owned businesses. The findings indicate that 5% of these businesses disband due to conflicts within the family, while 14% dissolve as a result of conflicts between different family branches. Inheritance disputes play a significant role, accounting for the demise of 19% of family-owned businesses. Moreover, conflicts between siblings, nephews, or cousins lead to the vanishing of 19% of these businesses. Notably, the study reveals that a substantial 43% of family-owned businesses dissolve solely due to conflicts among siblings. Overall, these findings underscore the numerous challenges faced by family-owned businesses, which significantly jeopardize their long-term sustainability. Existing studies and statistical data consistently indicate that the majority of family-owned businesses fail to survive beyond the third generation. However, effective management of the transition process by skilled professionals within the business can enhance its chances of becoming a more enduring and sustainable entity for future generations. It is imperative for family-owned businesses, initially established by one or a few ancestors, to adopt a professional approach and proactively address potential conflicts when incorporating siblings, cousins, and nephews into the business in subsequent generations. Failure to do so often leads to unavoidable family disputes, which frequently accelerate the business's demise.

Family-owned businesses play a substantial role in the global economy, representing a significant portion of companies in numerous countries and exerting a noteworthy influence on their respective economies. Nonetheless, these businesses face inherent vulnerabilities and encounter various conflicts and challenges as they undergo intergenerational transitions, which can result in financial losses or even the ultimate demise of the business. Given the significance of family-owned businesses within the business sector, extensive research is being conducted to explore strategies that promote their long-term viability and prosperity. Continuous efforts are made to generate new empirical data and conduct literature reviews aimed at gaining deeper insights into and effectively addressing the distinctive obstacles encountered by family-owned businesses. This ongoing pursuit of knowledge and understanding seeks to establish frameworks and practices that enhance the resilience and success of these businesses in the face of their unique circumstances.

1.1.3.2. Family-Owned Business Succession Challenges in Turkey

Family-owned businesses occupy a significant position in the Turkish business landscape, much like their counterparts in other regions of the world. The evolution of the Turkish private sector mirrors similar trends observed in Western countries, wherein small family partnerships have progressively transformed into multi-partner ventures and publicly traded corporations through the implementation of diverse business practices (Aydın, 1984). Deloitte et al. (2016), family-owned businesses constitute approximately 90% of all companies in Turkey. However, a more recent publication by EY and St. Gallen University, suggests that this percentage is even higher, reaching 95% (Canoğulları, 2020). The distributions of ownership within these family-owned businesses are 38% owned by first-generation family members, 47% by second-generation members, 13% by third-generation members, and a mere 2% by fourth-generation and subsequent members (Deloitte et al., 2016). In comparison to the global context, it appears that family-owned businesses in Turkey exhibit a lower rate of continuity beyond the third generation and subsequent generations.

In the report published by EY, the 11th Development Plan for Turkey recognizes the significant role of family-owned businesses and small and medium-sized businesses (SMEs) in terms of their export potential and overall economic contribution. The plan aims to adopt a growth model that emphasizes productivity and relies on increasing exports. According to research conducted by the Turkish Exporters Assembly (TİM), it is revealed that 58 out of the top 100 exporting companies in Turkey are family-owned businesses. These 58 family-owned businesses have collectively exported goods valued at over $38 billion, representing 28% of Turkey's total private sector exports (Canoğulları, 2020). Therefore, despite the challenges associated with continuity in later generations, family-owned businesses in Turkey continue to play a significant role in the country's export performance and economic growth, highlighting the importance of nurturing and supporting these businesses for sustained economic success.

The report also emphasizes the impact of the COVID-19 pandemic on family-owned businesses. In response to the crisis, these businesses have prioritized the implementation of institutionalization, digital transformation, and innovative business models to ensure sustainable growth, secure the long-term survival of the business, and facilitate the smooth transfer of management to future generations. Companies that have not completed this transformation have experienced more significant disruptions as a result of the pandemic. The "new normal" brought about by COVID-19 is expected to expedite the pace of this transformation. Survey results indicate that 72% of participants have reassessed their business strategies in response to the pandemic's effects and have initiated comprehensive transformation programs. Additionally, 52% have taken steps to alter their existing supply chains in response to the changing business environment (Canoğulları, 2020). The COVID-19 pandemic has catalyzed family-owned businesses in Turkey to accelerate their adaptation to the evolving business landscape, reinforcing the importance of agility, resilience, and strategic transformation for long-term success and sustainability.

In family-owned businesses that lack institutionalization, the typical life cycle is envisioned to span four generations. However, in the context of Turkey, this lifespan is often limited to only one generation. Ateş (2005) highlights that the majority of businesses established in Turkey have a restricted lifespan that concludes with the passing of the founder.

There is a significant disparity between the oldest family-owned businesses in the United States and Turkey. In the United States, there exists a family-owned business that was founded in 1623 and is currently managed by the 14th generation. In contrast, the oldest family-owned business in Turkey, founded in 1777, is presently under the management of the 4th and 5th generations. The second oldest family-owned business in Turkey was established almost a century later and is currently managed by the 3rd generation. This comparison suggests that family-owned businesses in Turkey may encounter challenges in achieving intergenerational continuity and long-term sustainability (Arslan, 2006). These disparities highlight the need for proactive measures and effective strategies to foster intergenerational succession planning and ensure the longevity of family-owned businesses in Turkey, as they face unique circumstances and dynamics that impact their ability to sustain continuity across multiple generations.

The literature recognizes that the family effect on business performance can stem from diverse sources. These challenges, if left unaddressed before the succession phase when the business is transferred to the next generation, can escalate and pose significant problems for the successors. Consequently, it is essential to place emphasis on the concept of the family effect and undertake a comprehensive analysis from various perspectives (Gözen, 2020). A study conducted by the Family Firm Institute reveals that a majority of owners of family-owned businesses aspire to pass on their businesses to the next generation. However, it is estimated that 70% of these businesses will not successfully transition to the second generation, and an even greater proportion of 90% will fail to transition to the third generation. These statistics highlight the significant challenges faced by family-owned businesses in terms of intergenerational succession and continuity (Deloitte, 2021). Therefore, in order to enhance the prospects of long-term success and continuity, family-owned businesses must prioritize effective succession planning, address the challenges associated with the family effect, and consider various strategies and interventions that promote smooth intergenerational transitions.

A significant proportion of family-owned businesses in Turkey do not endure beyond the third and fourth generations. Studies suggest that the primary cause of this phenomenon lies in the failure to institutionalize these companies and the absence of professional management in family-owned businesses. When the founder of a business does not engage in the essential steps and fails to make professional decisions regarding the transfer of the business as it expands, the business faces dissolution or encounters significant challenges following the founder's demise.

1.2. Leadership: A Historical and Contemporary Perspective

The term "leadership" has its roots in the ancient Anglo-Saxon language, specifically the old English word "loedan, lithan," which conveys the idea of "traveling." The Oxford English Dictionary (OED) (1989) records the earliest entry of the word "lead" in 825 AD, denoting the action of guiding or directing a person or an animal, taking them along, or bringing them forward (Grace, 2003). The concept of leadership has been prevalent throughout human history, and wherever social structures have existed, there has been a corresponding need for leadership. Consequently, leadership is considered a universal phenomenon that permeates all facets of society, including its various sub-institutions (Özkan, 2016). The concept of leadership has been tried to be understood throughout history and has become the subject of study on its importance in directing people and organizations.

The exploration of leadership and its definition has been the focus of extensive research since the 19th century. The existence of numerous interpretations regarding the nature of a leader and the qualities associated with leadership, with approximately 200 different ideas and theories currently in existence. Initially, the concept of leadership was shaped by historical examples, including notable figures such as Caesar, Napoleon, and Mao Zedong, who were seen as individuals leading groups. In contemporary research, scholars employ various models and theories, such as transformational and servant leadership, to comprehend the complexities of leadership. The notion of a singular leader encompassing all leadership qualities is no longer tenable in today's society, as the understanding and definitions of leadership are subject to change (Hunt & Fedynich, 2019). Consequently, the quest for a universally accepted and unambiguous concept of leadership remains ongoing.

1.2.1. Defining Leadership: A Multifaceted and Evolving Concept

Defining leadership exactly and concisely poses a challenge due to its complex and universal nature. Leadership is a fundamental phenomenon that transcends all human societies and social contexts. It is a dynamic process that continuously evolves and is subject to various interpretations in different settings, including organizational and community environments (Şahin et al., 2015). Leadership as a process whereby an individual influences the activities of others and guides them toward specific personal or group goals, within a particular set of circumstances (Koçel, 2003). Similarly, Mirze (2002) links leadership to behavior and defines it as the process of influencing others to perform their work and achieve organizational objectives.

Another definition of leadership characterizes it as the process of guiding a group of individuals or an organization to facilitate transformative processes within the group. This definition highlights that leadership extends beyond mere guidance and involves empowering the group for transformative outcomes. Thus, according to this perspective, leadership can be seen as a dual phenomenon, closely intertwined with both guiding and facilitating the transformation of a group (Cortellazzo, 2019). The diverse definitions of leadership underscore its intricate and multifaceted nature, involving both guidance and transformative facilitation within a group or organization.

A comprehensive analysis of diverse definitions of leadership, conducted by Yukl (2013), put forth by various researchers across different periods. Noteworthy definitions identified from this examination include leadership being described, in 1957, as the role of an individual in guiding a group towards a shared objective; in 1984, leadership was defined as the process of exerting influence over organized group activities to attain goals; leadership was characterized, in 1990, as the act of providing purpose and direction to collective efforts and motivating individuals towards achieving such aims; and in 1999, leadership was recognized as an individual's capacity to influence, inspire, and empower others to contribute to organizational effectiveness and success (Yukl, 2013). The analysis of diverse definitions of leadership highlights its dynamic nature, demonstrating how perspectives on leadership have evolved over time.

Scholars consistently highlight the key elements of process, influence, and direction in their definitions of leadership. These definitions collectively convey that leadership entails a dynamic process whereby an individual gathers and influences others to collaborate towards a common objective while providing support, motivation, and encouragement to facilitate goal attainment. Furthermore, the concept of leadership is subject to continual evolution. The absence of a single comprehensive theory encompassing all aspects of leadership necessitates the recognition and consideration of diverse definitions. Consequently, it is essential to assign significance to each definition of leadership. Given the multitude of theories available, a comprehensive understanding of leadership as a concept requires empirical evaluation under specific and well-defined conditions. This involves investigating various dimensions of leadership and analyzing the observable traits and behaviors exhibited by leaders.

1.2.2. The Importance and Characteristics of Effective Leadership

Leadership has been a fundamental aspect of human endeavors since ancient times, driven by the necessity for organized structures to pursue goals and fulfill various needs. Daniel Katz and Robert L. Kahn identified four key factors that underscore the indispensable role of leaders within organizations. Firstly, the absence of a comprehensive organizational design necessitates the presence of leaders to establish and maintain structure, coherence, and direction. Secondly, as environmental conditions constantly evolve, leaders are essential in guiding organizations to adapt and respond effectively to these changes. Thirdly, the intricate dynamics within organizations require leaders to facilitate coordination, resolve conflicts, and foster collaboration among members. Lastly, given the complex nature of human membership within organizations, leaders play a vital role in addressing individual needs, motivating employees, and promoting a sense of purpose and belonging (Tuncay, 2016). Collectively, these factors emphasize the indispensability of leadership in addressing organizational challenges, ensuring adaptability to changing circumstances, coordinating complex structures, and responding to evolving needs and experiences.

Leadership has emerged as a crucial concept in driving organizational achievement and reaching desired goals. Effective leaders possess a range of characteristics that significantly contribute to the success of the organization. They provide clear guidance and direction, motivating employees to perform at their best. Creating a positive organizational culture that promotes collaboration and teamwork is also vital. Additionally, successful leaders balance their work and personal lives, build trust with team members, encourage democratic decision-making, maintain high morale, and exhibit effective time management skills. They are also willing to take calculated risks when needed (Tuncer, 2011). These characteristics are pivotal for effective leadership and the attainment of organizational objectives.

In the context of family-owned businesses, an important characteristic is the intention to pass on management responsibilities from one generation to the next. However, leaders in family-owned businesses often face challenges due to their strong emotional attachments to the business and the desire to transfer ownership to a family member. Unfortunately, they often overlook the significance of succession planning and fail to develop formal and written plans for the transition (Gözen & Kıran, 2022). Consequently, leaders play a critical role in ensuring the long-term continuity and sustainability of family-owned businesses by effectively addressing succession planning and acknowledging the importance of formalized strategies.

In addition to previous studies on leadership, there are several important insights to consider in addition to previous studies on leadership. Firstly, integrity is identified as a fundamental quality of leadership. Secondly, leaders can influence others, even though their characteristics, skills, and behaviors may vary. Thirdly, leaders primarily focus on vision and strategy, while managers are more concerned with tactical aspects such as planning, budgeting, and problem-solving. Fourthly, leadership is an ongoing process that involves continuous learning and development. Lastly, it is emphasized that leadership is not confined to high-level positions and can be exhibited by individuals in any role or position within an organization (Al-Sarraf, 2019). These insights provide a comprehensive understanding of leadership, encompassing the necessary skills and traits for effective leadership.

Leadership holds significant importance for businesses, as it directly influences their success and healthy growth. Effective leaders possess the ability to organize, adapt, and guide teams toward the achievement of business goals. Consequently, leadership plays a central role in fostering organizational performance. When operating in diverse economies, organizations can greatly benefit from selecting the appropriate leadership concept and cultivating the desired leadership style within the business. This is because leadership behaviors vary depending on the situational factors, individual characteristics, and abilities within the organization. It is crucial to recognize that there is no singular model of leadership, and different leadership characteristics can lead to distinct success stories within various business structures. Hence, this section will explore the fundamental leadership styles.

1.2.3. The Evolution and Impact of Leadership Styles

The impact of leadership styles on human resource outcomes is a crucial and extensively investigated research domain within management and industrial psychology. Leadership holds a central position in organizational research, frequently sparking discussions and presenting divergent viewpoints, as noted by Fiaz et al. (2017). Scholars, such as Puni et al. (2014), concur that there exists a broad consensus among leadership theorists regarding the primary focus of the leadership literature, which encompasses traits, style, and contingency theories. Despite the presence of various perspectives on leadership, these three theoretical frameworks have significantly influenced and shaped the discourse surrounding leadership.

The Ohio State University Leadership Study, initiated in 1945, holds a prominent position as a pioneering study in the field of leadership and has made substantial contributions to the development of leadership theory. This study identified two primary independent variables, namely "Consideration" and "Initiating Structure." These factors were identified as having a profound influence on effective leadership. The Ohio State University Leadership Study's findings have significantly informed subsequent research and discussions on leadership in various organizational contexts (Koçel, 2003). The study has laid a strong foundation for understanding effective leadership, influencing subsequent research, and enriching discussions across diverse organizational contexts.

The University of Michigan's Leadership Studies, initiated in 1947 under the guidance of Katz and Likert, made significant contributions to the advancement of leadership theory. These studies aimed to investigate leader behavior and introduced a third behavioral approach to understanding leadership. The Michigan studies closely intersected with the Ohio studies, as both employed a real-life approach to examine leader actions and utilized survey methods to analyze leader behaviors. Consequently, these studies laid the groundwork for subsequent research on leadership. As time progressed, researchers adopted diverse approaches to analyze leadership styles from various perspectives and identify the key characteristics of effective leadership (Ronald, 2014). Researchers have utilized diverse approaches to analyze leadership styles and identify the characteristics of effective leadership. Through empirical studies, theoretical frameworks, and case analyses, they strive to understand the complexity of leadership and its contributing factors. This ongoing exploration has yielded valuable insights into the dynamic nature of effective leadership.

In a KPMG study, it was reported that leaders of family-owned businesses expressed a preference for transformational, charismatic, and authoritarian leadership styles. These leadership styles were found to resonate with the surveyed individuals and align with their leadership practices within the context of family-owned businesses (Calabro & McGinnes, 2022). The exploration of leadership styles and their impact on employees continues to be subject to investigation through such studies, facilitating the presentation of more sophisticated reports in this area.

Despite the emergence of contemporary leadership styles like transformational and charismatic leadership, the classical framework of leadership styles continues to hold relevance in today's business environment. This framework delineates three fundamental leadership styles: autocratic, democratic, and laissez-faire (Lewin, Lippitt, & White, 1939). This chapter aims to explore and elucidate these three leadership styles, offering a comprehensive understanding of the concept of leadership style. By examining and comparing these styles, the chapter will unveil crucial distinctions and define the key characteristics associated with each approach.

1.2.3.1. Autocratic Leadership

Autocratic leadership is distinguished by a leader who wields significant authority and control. This leadership style prioritizes achieving outcomes over valuing the contributions of team members. Leaders adopting this style often harbor distrust towards their team, perceiving them as unreliable and unproductive. Consequently, the leader assumes responsibility for organizing, planning, controlling, and decision-making, minimizing subordinate input (Amini et al., 2019). Autocratic leaders, characterized by their reluctance to promote participation and their inclination to retain complete control, employ a leadership approach where subordinates are motivated through direct commands and criticism of their mistakes (Koparal & Özalp, 2013). Furthermore, autocratic leadership is more likely to be embraced in societies raised and educated within autocratic and bureaucratic cultures. In such societies, where traditions, hierarchy, and deference to authority are highly esteemed, leaders who exercise absolute control are more likely to garner respect and trust. Only the autocratic leader is perceived as knowledgeable and competent in decision-making within such a societal context (Şahin et al., 2015). Autocratic leadership may find limited effectiveness in modern organizational settings that emphasize employee empowerment and participative decision-making, its prevalence in societies with deeply ingrained autocratic and bureaucratic cultures underscores its perceived efficacy in garnering respect and trust from subordinates.

Likert characterizes the autocratic leadership style as an exploitative-authoritarian system comprising four management systems: top-down power direction, utilization of threats and punishments, limited communication, and the absence of teamwork (Fiaz et al., 2017). In 1939, Lewin, Lippit, and White (1939) conducted a study delving into the autocratic leadership style. Their research revealed that autocratic leaders possess complete control over the decision-making process and policy formulation, dictating techniques and activities with minimal input from others. The autocratic leader assigns specific tasks and team members while providing feedback on subordinates' work, all while abstaining from direct involvement in the tasks themselves. The centralized control inherent in the autocratic leadership style can hinder collaboration and creativity among team members, leading to feelings of resentment and disengagement. Although effective in situations necessitating swift decision-making, the autocratic leadership style has limitations in fostering teamwork and promoting innovation.

Ekhsan (2019) states that autocratic leadership empowers a manager to make quick decisions, establish a centralized command structure, and achieve increased productivity, albeit at the expense of low morale. Even when employees have a strong sense of connection to the organization, the leader, and the mission, their motivation can be undermined as they constantly face pressure and are directed on what to do without having a say in how matters are handled or resolved. In autocratic leadership, those who express their opinions often face exclusion or close monitoring by management. Consequently, this frequently leads to employee frustration. Experienced employees, in particular, may feel that their expertise and skills are not taken into consideration, resulting in negative impacts on their morale and engagement.

There is a negative correlation between autocratic leadership and employee motivation, as depicted in Figure 3. The authors contend that heightened exertion of power by an autocratic leader is associated with a decline in employee motivation. When the leader imposes excessive pressure on subordinates without seeking their ideas and input, it can harm their motivation levels (Jafaar et al., 2021). Consequently, diminished motivation can result in reduced work performance, as employees are less inclined to contribute their experiences and ideas.

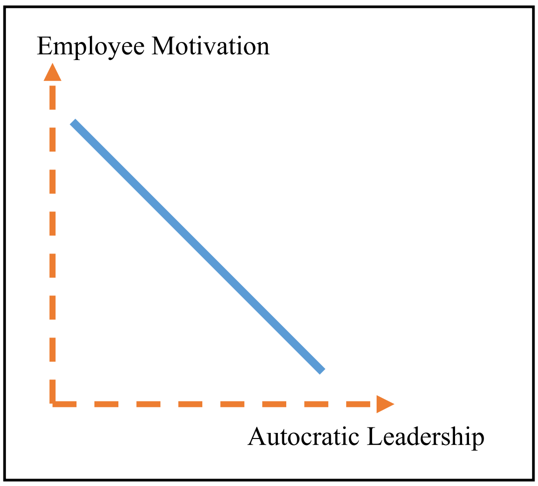

Figure 3: Relationship between autocratic leadership and employee motivation
Reference: Jafaar et al., 2021

Autocratic leadership, despite its drawbacks, offers certain advantages that render it effective in specific contexts. One such benefit is the ability to make prompt decisions without extensive consultation, which proves valuable in situations demanding efficiency. A strong autocratic leader takes charge, delegates tasks to team members, and establishes clear deadlines for project completion. Moreover, this leadership style allows the leader to focus on specific assignments without being encumbered by complex decision-making processes. Additionally, the autocratic approach fosters expertise development among group members in performing specific tasks. In high-pressure scenarios like military conflicts, where swift and decisive action is paramount, the autocratic style may be preferred (Maloş, 2012). Nonetheless, as highlighted by Arıkboğa (2009), autocratic leadership comes with several drawbacks. These include the potential for psychological dissatisfaction, diminished morale, and interpersonal conflicts. Furthermore, excessive reliance on this style may hinder the generation of creative solutions, while reduced employee motivation can lead to resentment towards the leader.

Autocratic leadership exerts a significant influence on organizations as leaders assume control over decision-making processes and direction without extensive input from subordinates. This style can yield high efficiency and expedite decision-making, but it also entails detrimental outcomes including conflicts, diminished motivation, and restricted creativity. Autocratic leadership may be more appropriate for novice employees, but it can impede long-term growth and innovation. Therefore, leaders ought to explore alternative styles that foster collaboration and engagement among team members, while acknowledging the limitations of autocratic leadership.

1.2.3.2. Democratic Leadership

Democratic leadership entails the leader actively seeking input and ideas from team members before making decisions. By involving team members in the decision-making process, the leader not only enhances their skills but also increases their job satisfaction. This style emphasizes collaboration, teamwork, and creating an environment where everyone's ideas are valued (Bhatti et al., 2012). Similarly, Şahin et al. (2015) describe the democratic or participatory leadership style as a leader who consults with subordinates when making decisions, valuing their opinions, knowledge, and approval. While this approach may require more time to reach decisions due to gathering and considering each team member's input, it can boost employee satisfaction and morale by recognizing their contributions.

Employees are most satisfied when their managers exhibit both consideration and initiation of structure. Balancing concern for employee well-being by providing clear direction and guidance fosters greater job satisfaction (Castaneda & Nahavandi, 1991). However, Koparal and Özalp (2013) caution that leaders who adopt a democratic-participatory style may risk being perceived as unnecessary or ineffective by followers. The primary objective of this leadership style is not to completely emancipate followers but rather to encourage their participation and collaboration in achieving shared goals.

Lewin, Lippit, and White (1939) conducted a seminal study in 1939 that extensively described the democratic leadership style. In this style, the leader encourages and facilitates policy development through group discussions and decision-making. The leader presents general steps to achieve the group's goals, offers technical advice, and presents various alternatives for consideration. Group members have the freedom to choose their partners and determine task allocation. The democratic leader provides objective feedback and actively participates as a regular group member, avoiding excessive workloads on the group. This leadership style promotes collaboration, creativity, and engagement among team members, leading to more effective decision-making processes and a deeper understanding of the team's challenges. The democratic leadership style is commonly applied in situations that require teamwork, problem-solving, and group decision-making for achieving success.

There exists a positive correlation between democratic leadership and employee motivation (Figure 4). The democratic leadership approach fosters a sense of importance among employees, as they perceive their contribution as crucial to the organization's success. Employers recognize that improving employee motivation is a key solution for addressing various employee-related challenges (Jafaar et al., 2021). Hence, when employees are actively engaged in business operations, their motivation and performance tend to increase, ultimately contributing to the overall success of the organization.

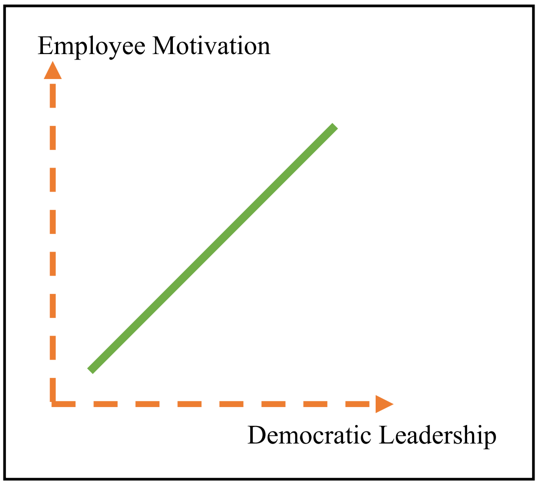

Figure 4: Relationship between democratic leadership and employee motivation
Reference: Jafaar et al., 2021

When considering the benefits of democratic leadership, it offers distinct advantages, notably in fostering innovative and creative problem-solving. This stems from the emphasis on encouraging group members to actively share their ideas and perspectives, thereby increasing their sense of involvement in the project. Numerous studies have provided evidence supporting the notion that this leadership style enhances productivity among group members. However, it is important to acknowledge certain limitations associated with democratic leadership. For instance, when time constraints or ambiguous responsibilities are present, effective communication may be hindered, potentially resulting in incomplete projects. Additionally, the lack of adequate knowledge and expertise among group members can weaken their contributions to the decision-making process (Maloş, 2012).

In summary, democratic leadership is an effective approach that prioritizes collaboration, teamwork, and employee satisfaction, while fostering innovation and productivity. It emphasizes the involvement of employees as active partners in organizational activities, rather than focusing on literal independence. Maintaining a balance between consideration and initiation of structure is essential for ensuring employee satisfaction. The democratic leader provides guidance and technical advice while allowing group members to select partners and allocate tasks among themselves. However, it is important to acknowledge that the success of democratic leadership depends on clear responsibilities and sufficient time for healthy communication. In some cases, the lack of these factors may hinder decision-making and weaken contributions from group members. Additionally, the fear of being held accountable for making incorrect decisions can create an unfavorable working environment. Overall, when implemented correctly, democratic leadership has the potential to be highly successful.

1.2.3.3. Laissez-Faire Leadership

The laissez-faire style of leadership is distinguished by leaders who delegate decision-making authority to their subordinates based on the belief in their competence to make independent decisions. Leaders adopting this approach refrain from actively participating in the decision-making process of their subordinates. Instead, subordinates are granted freedom to act autonomously and are held responsible for the outcomes of their decisions. Although leaders may offer clarifications or provide resources when needed, they generally avoid providing feedback. This hands-off approach allows subordinates to exercise their decision-making abilities while assuming accountability for their choices. However, it is worth noting that the extent of leader involvement may vary depending on the circumstances and the needs of the subordinates (Chaudhry & Javed, 2012).

The laissez-faire leadership style functions without predefined goals and objectives, with leaders establishing them as the need arises. Leaders embracing this approach refrain from exerting control and instead prioritize delegating decision-making responsibilities to their employees. Communication within this style is typically minimal, and leaders primarily respond to inquiries posed by their employees. The underlying belief is that employees possess the capability to thrive independently, and leaders do not actively engage in employee development efforts (Fiaz et al., 2017). By Şahin et al. (2015), a leadership style characterized by granting complete autonomy empowers subordinates with the authority to independently make decisions, set goals, and develop plans and programs within the given resources. In this context, the leader's primary role is to provide the necessary resources and materials. While the leader may offer their opinion when questioned, it does not carry any binding effect on the actions of the group members.

As noted by Asrar-ul-Haq and Kuchinke (2016), the laissez-faire leadership style does not employ reward or incentive systems to address the needs of subordinates. Consequently, this approach may lead to a decline in employee satisfaction and a decrease in overall effectiveness and productivity. The absence of structured motivation mechanisms may undermine the sense of fulfillment and engagement among employees, thereby hindering their performance and outcomes.

The laissez-faire leadership style grants complete autonomy to group members without active participation from the leader in decision-making processes. The leader's role is limited to providing requested information and materials and refraining from interference or feedback unless specifically questioned by the group members. This style is most effective when employed with highly experienced and self-motivated individuals who possess a clear understanding of the task and the required expertise to work independently. While the laissez-faire style offers flexibility and independence, it can lead to confusion, disorganization, and a lack of focus or direction within the team (Lewin, Lippit, & White, 1939). Consequently, this leadership style is not recommended for groups that require guidance, support, or supervision, as it may result in suboptimal decision-making, missed deadlines, and overall poor performance.

Guiding employees is crucial as a means of demonstrating management support and ensuring the successful execution of tasks. By allowing employees to have more freedom and autonomy, they are more likely to become creatively engaged in their work, leading to increased job satisfaction. However, it is essential to establish boundaries on this freedom to ensure that employees remain aligned with their goals and objectives (Jafaar et al., 2021).

The laissez-faire leadership style offers several advantages. It fosters individual growth and creativity by allowing each member to contribute their unique perspectives and ideas. Subordinates are free to collaborate with whomever they choose, facilitating diverse problem-solving approaches. Additionally, this leadership style empowers subordinates to experiment with new ideas and solutions to find the most effective ones (Koparal & Özalp, 2013). The laissez-faire leadership approach, through its emphasis on individual autonomy, creativity, and experimentation, can result in significant advantages by encouraging diverse problem-solving and cultivating an innovative team culture.

However, the laissez-faire leadership style may not be suitable in situations where group members lack sufficient knowledge or experience. Without the guidance and support of leaders, subordinates may struggle to make sound decisions and complete tasks. In such cases, leaders need to provide direction and feedback to ensure that projects are completed on time and meet the expected standards (Maloş, 2012). Excessive intervention and a complete absence of leadership can also lead to problems within organizations. While giving subordinates complete freedom and authority is important, it is equally important to strike a balance. Employees typically desire a leader who can provide guidance and support, someone they can look up to for direction. Completely relinquishing all authority to subordinates and refraining from intervening contradicts the essence of leadership. The need for leadership arises when people require guidance and support, and individuals should not feel isolated or unsupported (Koparal & Özalp, 2013). Overall, while the laissez-faire leadership style can promote individual growth and creativity, it is essential to consider the knowledge and experience of group members and provide the necessary guidance and support to ensure successful outcomes and maintain a sense of leadership within the organization.

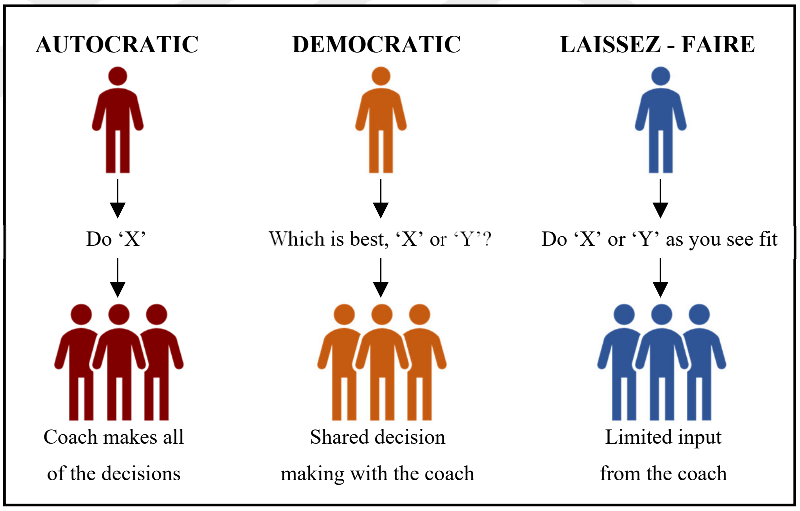

Figure 5: Styles of Autocratic, Laissez Faire and Democratic Leadership
Reference: Viñuales, 2020

Studies have consistently indicated that groups led by authoritarian leaders tend to exhibit high levels of productivity. However, the quality of their work may not be as high compared to groups led by democratic leaders. In contrast, groups led by democratic leaders tend to produce work of superior quality. In terms of quantity, groups led by laissez-faire leaders do not demonstrate a positive situation, lacking in both quality and quantity of work output (Arıkboğa, 2009). Democratic leadership fosters a balance between productivity and work quality, while laissez-faire leadership struggles with both aspects and authoritarian leadership prioritizes productivity over work quality.

These findings suggest that leadership style plays a crucial role in determining both the quantity and quality of work produced by a group. Authoritarian leadership may drive productivity, but it may come at the expense of the overall quality of the work. On the other hand, democratic leadership fosters a collaborative and inclusive environment that enhances the quality of work produced. Laissez-faire leadership, characterized by a lack of direction and intervention, does not positively influence either the quantity or quality of the work. Organizations need to consider these findings when selecting and developing leaders, as the leadership style employed can significantly impact the performance and outcomes of the group.

1.3. Balancing Family and Business Goals: Insights on Leadership in Family-Owned Businesses

Leadership within the context of a family-owned business involves the ability to unite family members and professional employees in pursuit of a common objective. The leader plays a pivotal role in coordinating their efforts, providing guidance, making bold decisions when necessary, and recognizing the intertwining nature of work and family within the business (Fındıkçı, 2005). In the study conducted by Ülgen and Gözen (2018), the authors examined the relationship between business performance and organizational ambidexterity in family-owned businesses, revealing a positive linear correlation between the two variables. This finding holds significant implications for leaders in family-owned businesses, emphasizing the need for them to adapt their leadership strategies and structures to accommodate the unique dynamics and specific needs of the family. By doing so, leadership in family-owned businesses can foster organizational ambidexterity and contribute to the overall success of the business through effective management practices.

In the KPMG report, a comprehensive examination is conducted on the influence of leadership styles on performance, specifically within the context of family-owned businesses. The survey administered to CEOs of such businesses aimed to ascertain their adoption of modern leadership styles, including transformational, charismatic, and authoritarian leadership. The results shed light on notable trends, revealing that

CEOs belonging to the Silent Generation, encompassing individuals born between 1925 and 1945, tended to exhibit limited levels of transformational leadership while displaying significant inclinations toward authoritarian leadership. Conversely, younger leaders in family-owned businesses were found to be more inclined toward adopting a transformational or charismatic leadership approach (Calabro & McGinnes, 2022). These findings provide valuable insights into the evolving dynamics of leadership styles within family-owned businesses and highlight the generational differences in leadership practices adopted by CEOs.

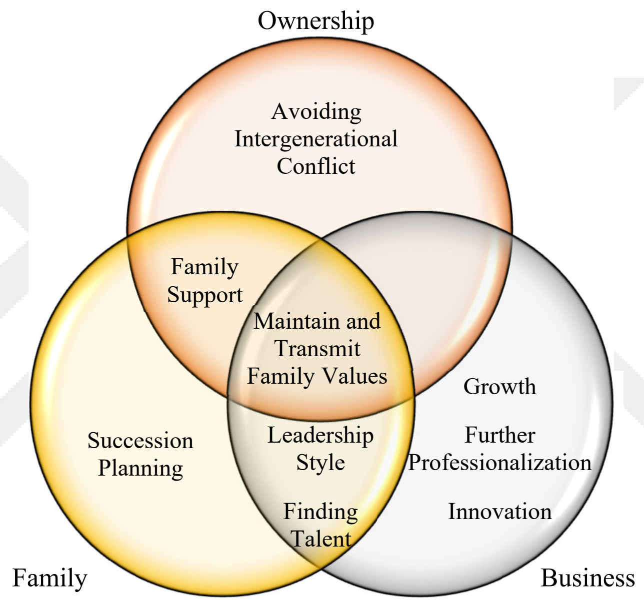

Figure 6: Conflicting Objectives in Family-Owned Business
Reference: Deloitte, 2016

The management of family-owned businesses necessitates the delicate equilibrium between accomplishing organizational objectives, such as growth, innovation, and talent acquisition, and fulfilling the unique aspirations associated with family goals, including the preservation of family values and the safeguarding of accumulated wealth. Simultaneously, facilitating a seamless leadership transition across generations assumes paramount importance. Nonetheless, the pursuit of these parallel goals can engender complexities, leading to challenging circumstances (Deloitte, 2016). Figure 6, as presented in the aforementioned source, illustrates the three-circle model, which elucidates the primary difficulties confronted by the next generation of leaders in family-owned businesses. This model serves as a visual representation, offering insights into the intricacies and potential conflicts arising from the interplay between business objectives, family aspirations, and leadership transition within the context of family-owned businesses.

EY and St. Gallen's Family Business Index reports that the representation of female CEOs within family-owned businesses remains relatively low, with a mere 5.8% of the studied companies having a woman in the CEO position. Notably, women occupy approximately 23% of board seats in the top 500 family-owned businesses globally, with Europe and North America collectively accounting for 25% of this representation. Family members continue to hold significant positions in leadership and management roles, with 45% of the examined companies having a family member serving as the CEO. Furthermore, family members also occupy 23% of board seats within these businesses. Additionally, the report highlights that 19% of companies feature a younger family member, aged 40 or under, serving on their board, thereby contributing valuable expertise in areas such as technology and emerging consumer trends. It is worth mentioning that the average age of family board members has increased from 60 in 2021 to 62 in the most recent Index of 2023, reflecting the evolving demographics within family-owned businesses (Robertson et al., 2023).

2. UNLOCKING THE KEY TO SUCCESSFUL MOTIVATION

Motivation and job satisfaction play a pivotal role in the successful attainment of companies' goals and objectives. Companies that neglect to prioritize employee motivation may face significant repercussions, including the inability to achieve desired outcomes, increased employee turnover, feelings of depression, and the occurrence of burnout. In light of these potential consequences, companies must prioritize and foster employee motivation, recognizing it as a valuable organizational resource that contributes to the achievement of retention goals and overall success (Badubi, 2017). The attainment of organizational objectives is contingent not only on effective leadership encompassing management, direction, and support for teams but also on the imperative of fostering employee motivation.

2.1. Understanding the Employee Motivation

Motivation can be conceptualized as the manifestation of individuals' needs, desires, wants, or drives. It serves as a means to mobilize people toward the achievement of targets. In the context of employee motivation, it refers to the process through which organizations employ various strategies to stimulate and engage their employees, ultimately driving them to accomplish organizational goals (Chaudhary & Sharma, 2012). Motivation also can be defined as the actions and efforts exerted by individuals to attain their objectives, influenced by their desires and aspirations (Koçel, 2003). Moreover, motivation is a psychological process that instills enthusiasm and sustains patterns of behavior (Mirze, 2002). An understanding of employee motivation is the degree of energy, loyalty, and productivity that employees bring to their work. Enhancing employee motivation can lead to improved efficiency and effectiveness, ultimately facilitating superior performance in achieving organizational goals. Employing various approaches, such as the provision of rewards and recognition, represents viable methods for bolstering employee motivation (Ananda & Sentoso, 2022). The body of research on motivation suggests that it is intricately connected to individuals' needs and behaviors, with people exhibiting purposeful actions as long as their desires and wishes are met.

In the context of employee motivation, it pertains to the fulfillment of employees' needs while working towards the attainment of organizational objectives. These needs, encompassing wishes, desires, or energy levels, can be satisfied through the provision of rewards or recognition. Employees who possess high levels of motivation tend to demonstrate enhanced performance, thereby facilitating the accomplishment of the business goals.

2.2. Exploring the Different Approaches to Employee Motivation

Employee motivation plays a significant role in the achievement of organizational goals and is of paramount importance for managers and companies. To aid leaders in fostering motivation among employees, several motivational theories have been developed over the years. These theories and their corresponding methods aim to assist individuals in identifying their motivational drivers, enhancing motivation, and sustaining it over time (Koçel, 2003). Motivational theories, which emerged in the 1950s and have since gained recognition, can be broadly classified into two main groups: content theories and process theories. Content theories primarily focus on understanding individuals' needs and the influence of internal factors on their behavior, whereas process theories examine external factors that impact motivation. In addition to these two categories, contemporary theories have emerged to reflect current thoughts and understandings in the field (Cengiz, 2019). These theories illuminate the significance of motivation by considering factors that contribute to motivation, individual needs, and internal factors, and observing the effects of external influences, leading to the development of contemporary theories that adapt to changing conditions. This section will provide a detailed explanation of motivation theories within these three groups.

2.2.1. Content Theories of Motivation

Content theories of motivation delve into the internal aspects of individuals and seek to comprehend the factors that drive employee motivation toward specific goals. These theories aim to guide employees in alignment with organizational objectives by leveraging these motivational factors.

Among the well-known content theories are Maslow's Hierarchy of Needs Theory (1943), Herzberg's Two-Factor Theory (1965), McClelland's Theory of Needs (1961), and Alderfer's ERG Theory (1972). These theories strive to identify the fundamental needs, desires, and wishes of employees and utilize them as motivators to facilitate the accomplishment of organizational goals.

2.2.1.1. Maslow's Hierarchy of Needs Theory

Abraham Maslow's Hierarchy of Needs theory is widely recognized as a prominent framework in the field of motivation. This theory is based on two fundamental assumptions: first, individuals are driven by the pursuit of fulfilling specific needs, and second, these needs are organized hierarchically (Koçel, 2003). Maslow's original work 1943 outlines five hierarchical stages of basic needs, progressing from the most fundamental to the most complex. According to the theory, the fulfillment of needs must follow a sequential order, with each level being fully satisfied before progressing to the next: physiological, safety, love, esteem, and self-actualization. The motivating factor lies not in the satisfaction of a need itself but in the aspiration to fulfill the next unmet need, which serves as a driving force for action (Maslow, 1943).

An adaptation of Maslow's hierarchy of needs theory to the workplace presents a content model of work motivation depicted in Figure 7. Within an organizational context, it is commonly observed that lower-level needs, such as basic physiological and security needs, are more readily fulfilled, whereas a smaller proportion of higher-level needs, including social belongingness, esteem, and self-actualization needs, are addressed. The content model of work motivation provides a framework for understanding the various levels of needs that employees seek to satisfy in their work environment, offering insights into the factors that can enhance their motivation and overall job satisfaction (Luthans, 2011). Motivating and mobilizing employees can be achieved by recognizing their individual needs and establishing the appropriate conditions to fulfill them.

It is important to acknowledge that needs are organized hierarchically, ranging from basic to more complex, and unmet needs serve as catalysts for individual action. By prioritizing the fulfillment of employees' identified needs, organizations can

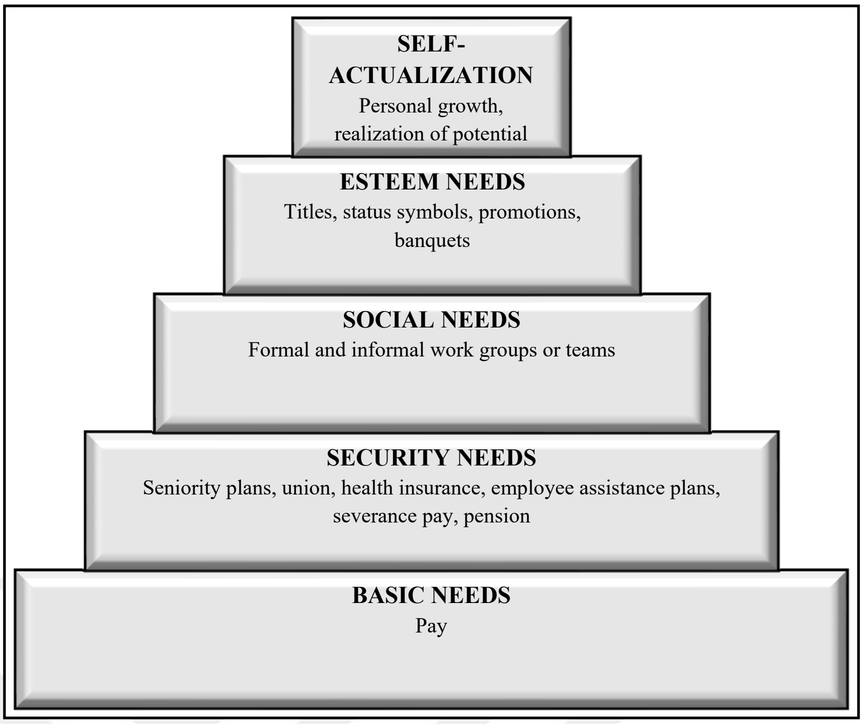

Figure 7: Maslow's Hierarchy of Needs
Reference: Luthans, 2011

effectively foster an environment that encourages employees to actively pursue shared objectives and work collaboratively towards achieving them.

2.2.1.2. Herzberg's Two-Factor Theory

The two-factor theory proposed by Frederick Herzberg is a significant contribution to the understanding of work motivation. This theory emerged from a study involving approximately 200 accountants and engineers, where participants were asked to identify the factors that influenced their positive and negative feelings toward their jobs. The results indicated that positive emotions were linked to the intrinsic aspects of the work itself, while negative emotions were associated with extrinsic factors related to the work environment and context. Based on these findings, Herzberg concluded that job satisfaction is primarily influenced by motivational factors inherent to the job content, whereas job dissatisfaction is influenced by hygiene factors associated with the job context. This theory is commonly referred to as the two-factor motivation theory (Luthans, 2011).

Hygiene factors encompass elements such as salary, organizational policies, working conditions, job security, supervision, and relationships with coworkers. The absence of these factors can lead to job dissatisfaction, but their presence does not necessarily increase job satisfaction. In contrast, motivational factors are directly tied to the intrinsic nature of the job itself, including aspects such as achievement, recognition, growth opportunities, status, meaningful work, and responsibility. These factors have the potential to enhance job satisfaction but are not specifically aimed at addressing or alleviating job dissatisfaction (Alfayad & Arif, 2017).

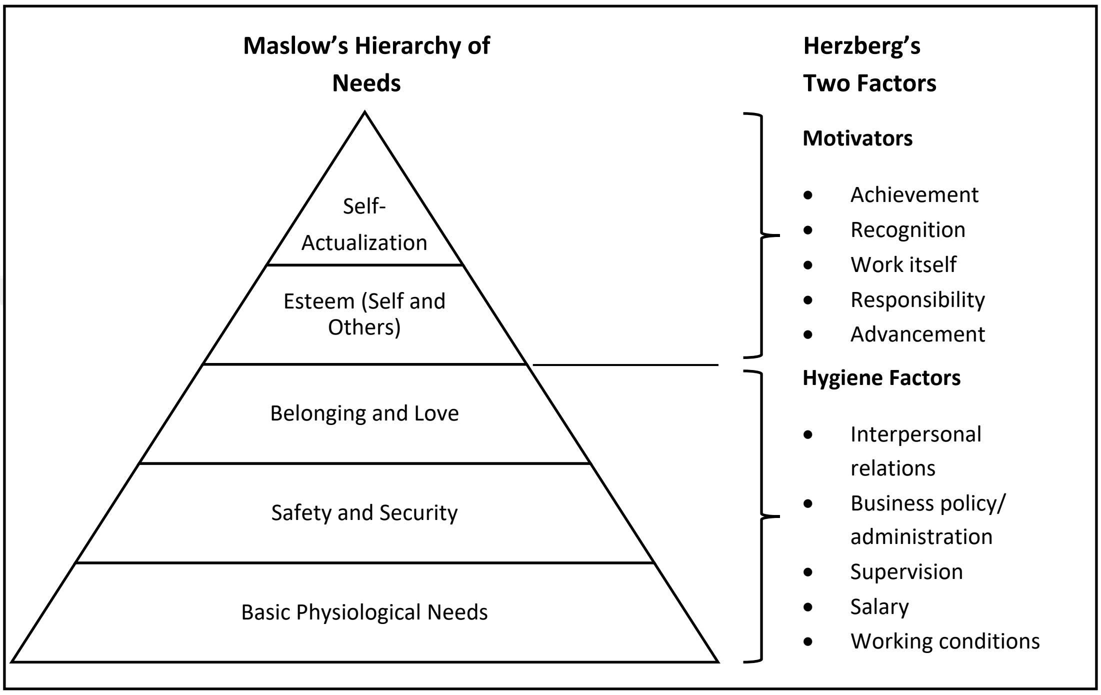

Figure 8: Maslow's and Herzberg's Ideas Compared
Reference: Herzberg Two Factor Theory, 2021

Herzberg's two-factor theory can be viewed as an expansion of Maslow's theory, and there exists a close relationship between the two. In Maslow's hierarchy, the lower-level needs such as physiological, safety, and social needs can be correlated with Herzberg's hygiene factors, while the higher-level needs such as esteem and self-actualization can be associated with Herzberg's motivators (Mirze, 2002). From a managerial perspective, hygiene factors are seen as essential prerequisites that must be met, and motivation can only be attained if the motivating factors are also present. While hygiene factors create a conducive environment for motivation, the absence of these factors prevents motivation from occurring. It is important to note that merely providing motivating factors without fulfilling hygiene factors would not be sufficient to motivate employees effectively (Koçel, 2003).

To delve into the topic of employee motivation, it is essential to prioritize the fulfillment of hygiene factors, which pertain to the job context. In the absence of these factors, motivation cannot be achieved, and their presence merely establishes a conducive environment for motivation. While the absence of hygiene factors leads to job dissatisfaction, their presence alone does not elevate motivation levels. Once the basic requirements are met, attention can be directed towards addressing the factors that serve as motivators for employees, which are directly tied to the job content. The presence of these motivators amplifies employee motivation, yet their absence does not generate job dissatisfaction. Consequently, hygiene and motivational factors are distinct from one another, yet intricately interconnected.

2.2.1.3. McClelland's Theory of Needs

The Theory of Needs, initially proposed by Murray in the 1930s and further developed by McClelland in the 1960s, offers a distinct perspective on motivation. Unlike Maslow's hierarchical framework, McClelland's theory highlights the influential role of specific and well-defined needs, namely achievement, affiliation, power, and autonomy. McClelland contended that individuals are driven by multiple and competing needs that impact their behavior at any given moment, rather than adhering to a strict hierarchy of needs. Underscores the importance of understanding how these needs shape individuals' perceptions and actions, ultimately motivating them to strive toward their objectives (Steers et al., 2004). Individuals acquire these needs from their cultural surroundings and life experiences, leading to the theory's alternate designation as the "Learned Needs Theory". Consequently, the presence or absence of specific needs manifests in varied actions and behaviors exhibited by individuals (Semerci, 2005).

McClelland's research on human needs resulted in the identification of three key needs from Murray's extensive list of over 20 requirements. These needs, which McClelland believed were significant determinants of human behavior, are the need for achievement, the need for power, and the need for affiliation (Özer & Topaloğlu, 2008). Cengiz (2019) provides further elucidation on these needs, offering the following explanations:

"Need for Achievement" (nAch) encompasses an intrinsic human motivation to accomplish success based on predetermined criteria. Individuals who exhibit a higher degree of this need demonstrate a proclivity towards assuming greater responsibilities, seeking out demanding work settings, and desiring constructive evaluations of their performance (Cengiz, 2019).

“Need for Power" (nPow) refers to the inclination of individuals to assert control and exert influence over others. Individuals characterized by high levels of nPow exhibit behaviors aimed at coercing or compelling others to engage in actions that may not align with their desires, coupled with a pronounced longing for positions of authority and dominance over others (Cengiz, 2019).

"Need for Affiliation" (nAff) encompasses the inherent motivation of individuals to establish and sustain intimate and amicable bonds with others. Individuals who prioritize this need demonstrate a propensity to actively foster and cultivate significant social relationships, emphasizing the importance of meaningful connections and interpersonal interactions (Cengiz, 2019).

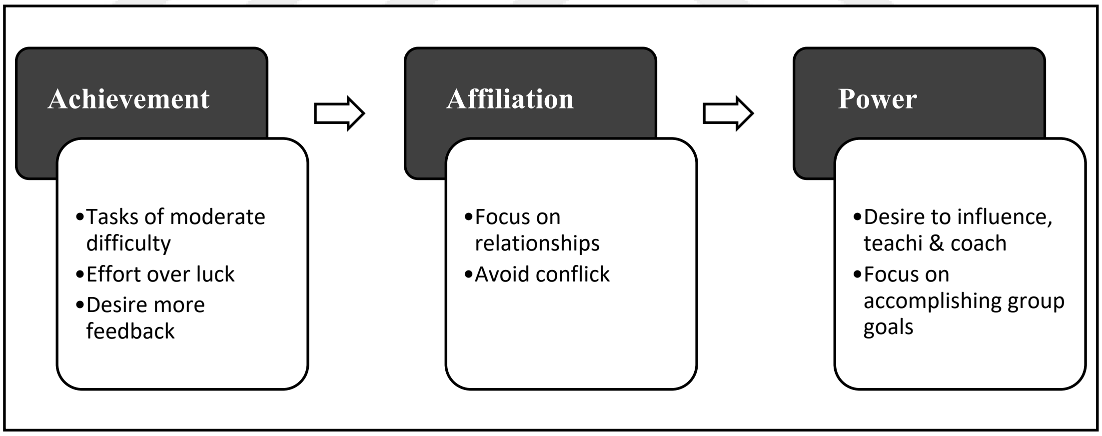

Figure 9: McClelland’s Theory of Needs
Reference: Gallagher, 2019

Motivation in individuals is influenced by their satisfaction in three distinct domains, as illustrated in Figure 9. When individuals experience contentment in all three needs, they are more likely to exhibit motivation. The initial aspect of the needs theory involves the fulfillment of the need for achievement, encompassing the desires and prerequisites of individuals. The second aspect is accomplished through the establishment of positive and amicable relationships with others, serving as a means to achieve a shared goal. The final aspect is attained by exerting power and influence over others in pursuit of a collective objective (Gallagher, 2019).

Effective employee motivation necessitates managers to anticipate and comprehend the needs of their employees. By developing this understanding, managers are empowered to make well-informed decisions concerning job assignments and goals, thereby fostering a sense of motivation and engagement among employees, ultimately leading to heightened productivity. Recognizing that individuals are inherently driven to act following their needs, managers can effectively motivate their employees by guiding their behavior in alignment with these needs (Koçel, 2003). In essence, a manager's capability to identify and address the needs of their employees can significantly contribute to cultivating more motivated and productive teams.

2.2.1.4. Alderfer's ERG Theory

Alderfer's ERG theory represents a modification of Maslow's Hierarchy of Needs Theory, specifically tailored to the context of human needs within organizational environments. This theory simplifies the classification of needs into three distinct levels, as opposed to Maslow's original five-tiered structure. Similar to Maslow's theory, once a lower-level need is satisfied, individuals progress toward fulfilling higher-level needs. However, if higher-level needs remain unmet, individuals have the potential to regress and prioritize lower-level needs once again. This departure from Maslow's theory introduces bidirectional movement across the hierarchy (Yüzgenç, 2019). Cengiz (2019) expounds on the three needs encompassed by this theory, which are as follows:

Existence (E) - encompasses fundamental needs such as sustenance, shelter, and safety, similar to Maslow's physiological and safety needs. In an organizational context, this includes tangible elements like salary, bonuses, and a comfortable work environment (Cengiz, 2019).

Relatedness (R) - represents the need for connection, affiliation, and social attachment, akin to Maslow's belongingness and self-esteem needs. It emphasizes relationships, shared experiences, and a sense of belonging in the workplace through fostering friendships, collaboration, and mutual respect among employees (Cengiz, 2019).

Growth (G) - relates to individuals' desires for personal and professional development, similar to Maslow's self-actualization. It involves contributing to work processes, achieving targets through creativity and innovation, and experiencing continuous progress and fulfillment within the organizational setting (Cengiz, 2019).

In summary, the ERG Theory represents a simplified rendition of Maslow's Hierarchy of Needs Theory, comprising three primary categories. The theory adheres to a hierarchical structure, where higher-level needs are pursued after the fulfillment of lower-level needs. However, it also allows for the possibility of revisiting lower-level needs if higher-level needs cannot be met. Content theories of motivation, as evident from research findings, concentrate on factors that stimulate individuals to strive for specific goals. While internal factors hold significance, external factors and individual characteristics also contribute to motivating individuals (Koçel, 2003). Subsequently, the upcoming section will explore process theories in line with this understanding.

2.2.2. Process Theories of Motivation

Process theories in motivation seek to elucidate the underlying mechanisms of the motivation process by examining the constituent factors and their interrelationships. These theories center on the dynamic process of initiation, direction, and termination of behavior. While internal needs hold a crucial role in motivation, external factors also significantly influence an individual's behavior (Ünlü et al., 2013). Process theories aim to address the "How" question by focusing on the behavioral process itself rather than solely on needs. They aim to explain how needs are activated and translated into observable behavior (Cengiz, 2019). Prominent examples of process theories include Expectancy Theory, Equity Theory, and Goal-Setting Theory.

2.2.2.1. Expectancy Theory

Victor Vroom developed the first comprehensive formulation of expectancy theory in the early 1960s, specifically about the workplace context. This theory posits that employees tend to select work behaviors that they believe will result in rewards or desirable outcomes, such as an employee exerting greater effort in anticipation of a promotion. Essentially, the time and effort invested by an employee in a task are contingent upon their belief in the valuable outcomes they will attain upon its

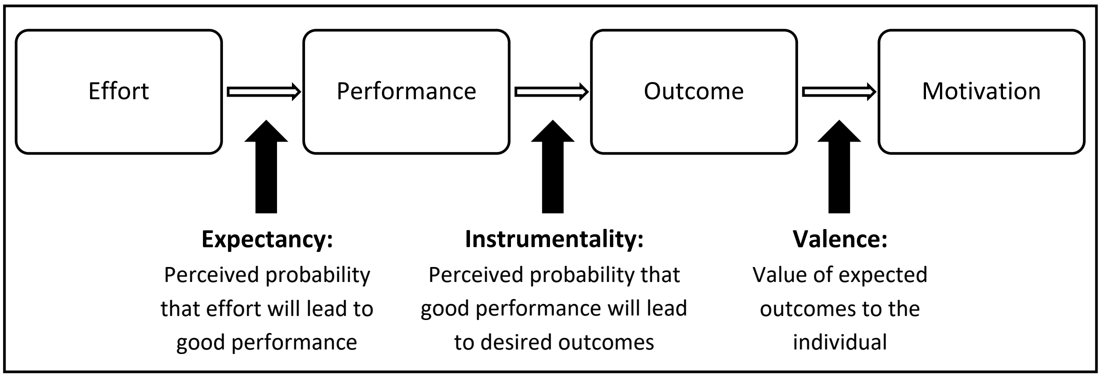

Figure 10: Vroom's (1964) Expectancy Theory
Reference: Harris et al., 2017

completion. The theory aims to elucidate the cognitive process underlying an individual's specific actions or choices among various available options. At its core, the theory maintains that certain actions are expected to yield desired outcomes, while others are avoided. Motivation emanates from the belief in decisions made to achieve desired goals (Bandas, 2022). defines expectancy theory as a framework that posits motivation to be linked to individuals' expectations regarding the necessary capabilities to perform tasks and attain desired outcomes. As depicted in Figure 8, this model is based on the interplay between an individual's expectations of effort and performance and the desired outcomes associated with their performance (Mirze, 2002). Mirze (2002) states that the underlying formula for this process can be stated as follows:

$$Motivation = Effort \times Performance \times Valence$$

Expectancy theory comprises three crucial components that are instrumental in comprehending its functioning. The initial component is referred to as expectancy, which revolves around an individual's belief and confidence in their ability to attain improved performance through their work-related efforts. The subsequent component is known as an instrumentality, which involves the anticipation that favorable outcomes will ensue as a consequence of their enhanced performance. Within the workplace context, these outcomes could manifest in the form of promotions, salary increases, or other rewards. The third component is valence, which characterizes the personal value and significance an individual attributes to the desired outcome. If the outcome is perceived to hold low value for the individual, it can result in diminished motivation (Harris et al., 2017). This suggests that the subjective value placed on the outcome holds greater importance for motivation than the actual reward itself.

The concept of motivation is tailored to the work environment, necessitating the initial determination of the level and nature of rewards for employee performance. Subsequently, it becomes crucial to establish the desired behavior and performance expected from employees, ultimately establishing a meaningful relationship between performance and rewards (Koçel, 2003). Motivation encompasses three vital elements, namely effort, performance, and value. These components synergistically contribute to the creation of motivation, and any deficiency in one or more of these elements diminishes motivation. For instance, if an individual lacks confidence in their efforts leading to improved performance, or perceives the ultimate reward as insignificant, motivation cannot be effectively generated.

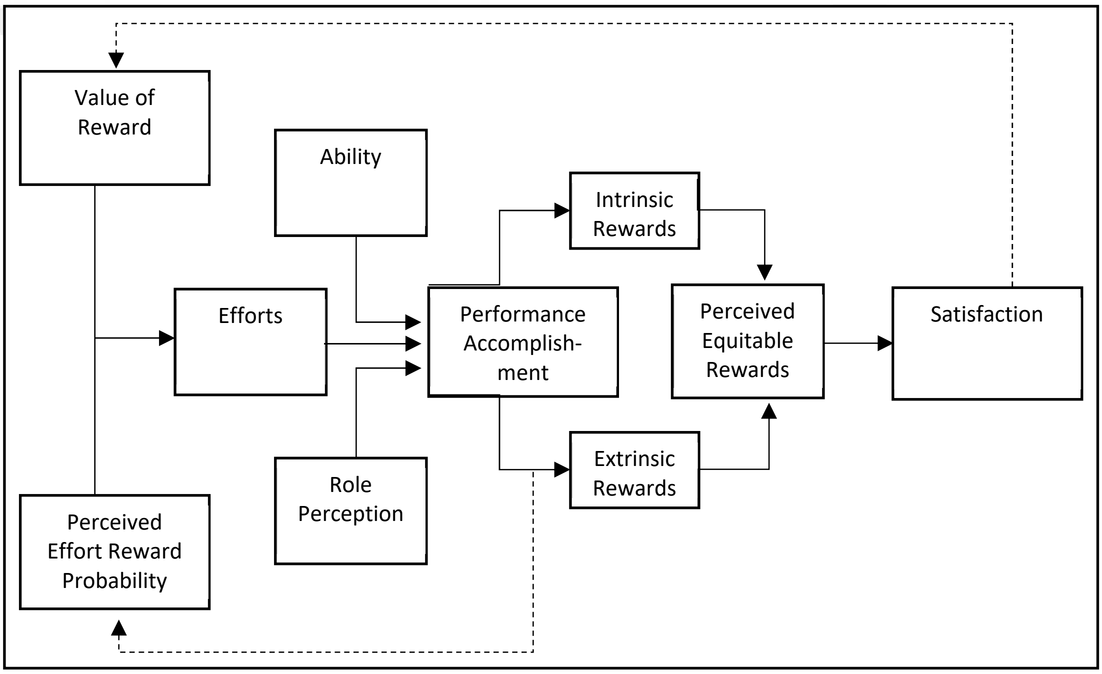

Figure 11: Porter & Lawler's Satisfaction Theory Model
Reference: Garg, 2022

In 1968, Edward Lawler and Lyman Porter expanded upon Vroom's expectancy theory by incorporating additional variables, such as talent, skill, and effort, to provide a more comprehensive understanding of employee performance and the associated rewards. Their objective was to elucidate the relationship between employee performance, and the rewards they receive, and to establish a clearer definition of employee satisfaction. Lawler and Porter also introduced a feedback loop to enable employees to gain insights into their past performance-reward relationships. This aspect holds significance as an unfair reward system in the past can undermine the effectiveness of future incentive systems and erode the perceived value of rewards in the eyes of employees (Steers et al., 2004). Lawler and Porter introduced two additional variables to Vroom's model to account for situations where an individual's effort may not lead to high performance. The first variable is knowledge and ability, recognizing that effort alone may not suffice for achieving high performance if an individual lacks the necessary knowledge and ability. The second variable is perceived role, referring to the expected behavior associated with a particular position. For individuals to perform effectively, every member of an organization needs to have a clear understanding of their role. Role conflicts can arise and impede optimal performance if individuals do not have a proper grasp of their role requirements (Koçel, 2003).

The reward system within this model is categorized into two distinct types: internal and external rewards. Extrinsic rewards encompass tangible forms of compensation such as wages, status, and other monetary benefits, akin to the "hygiene" factor described in Herzberg's theory. In contrast, internal rewards pertain to intrinsic motivators, such as self-actualization and a sense of accomplishment, similar to the "motivator" factor. It is worth noting that the perception of the reward holds greater significance than the specific nature of the reward itself. Additionally, the employee's belief in the fairness and deservedness of the reward significantly influences their level of satisfaction (Yüzgenç, 2019). In essence, an employee's perception of the reward is shaped by their comparative evaluation of their performance against that of their peers. If the reward received falls below their perceived expectation, satisfaction levels may be adversely affected. Conversely, if the reward exceeds their perceived expectation, it can positively impact satisfaction levels.

2.2.2.2. Equity Theory

Equity Theory, initially proposed by J. Stacy Adams in 1963, postulates that individuals within the workplace engage in a process of comparing their inputs, such as education, skills, and effort, with their outcomes, such as salary, recognition, and job security, to seek fairness (Adams, 1963). Essentially the fundamental principle underlying equity theory is social comparison. Adams argues that individuals in the workplace assess the fairness and equity of their rewards based on their efforts and compare them to the rewards received by others for their respective efforts, thereby influencing their motivation. The perception of fairness in these comparisons is pivotal, as any perceived injustice or inequality can disrupt the individual.

Consequently, a motivational drive arises to rectify any perceived inequities or injustices (Schermerhorn et al., 2010). The role of individuals' perceptions of job performance and satisfaction within their work environment, asserting that equity theory centers around the degree of equality or inequality determined through these perceptions. Notably, equity theory is characterized as a cognition-based theory of motivation, as conceptualized by Adams (Luthans, 2011).

The essence of the equity theory lies in individuals engaging in a comparative analysis of their inputs and outcomes with those of their peers in the workplace. The theory posits that a perception of inequity emerges when individuals perceive a discrepancy between their ratio of outcomes to inputs and that of others. Equity, on the other hand, is perceived when individuals believe that their ratio of outcomes to inputs aligns with the ratio observed in others (Luthans, 2011). In essence, equity is attained when there is a sense of equilibrium and fairness between the outcomes individuals receive and the efforts they invest.

$$\left.\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} = \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}\right\} \quad \text{Equity Formula}$$

$$\left.\begin{array}{c} \dfrac{\text{Person's Outcomes}}{\text{Person's Inputs}} > \dfrac{\text{Other's Outcomes}}{\text{Other's Inputs}} \\[2ex] \dfrac{\text{Person's Outcomes}}{\text{Person's Inputs}} < \dfrac{\text{Other's Outcomes}}{\text{Other's Inputs}} \end{array}\right\} \quad \text{Inequity Formula}$$

Figure 12: Inequity and Equity Formulas
Reference: Luthans, 2011

The equity theory encompasses ratios that are contingent upon an individual's subjective perception of inputs and outcomes, as illustrated in Figure 12. Individuals engage in a comparative evaluation of their ratios with those of their peers at a similar level, and if they perceive inequality, they are inclined to exhibit behaviors aimed at rectifying the perceived inequity. There is a close relationship between the Lawler-Porter model and the equity theory, as both theories share common associations involving performance, perceived rewards, intrinsic and extrinsic rewards, and overall satisfaction. The equity theory is fundamentally grounded in these interconnections (Koçel, 2003). Within the framework of the equity theory, the subjective perception of fairness holds greater significance for employees than the objective value of the reward itself.

Despite managers' intentions to provide valuable and sufficient rewards such as raises, promotions, and other incentives, if employees perceive inequity when comparing their circumstances with those of their colleagues, the perceived value of these rewards diminishes, ultimately resulting in decreased motivation. In other words, the employees' assessment of fairness about their peers significantly influences their motivation levels and overall satisfaction with the rewards received.

2.2.2.3. Goal–Setting Theory

The goal-setting theory emerged as a framework to examine the influence of goal-setting on human behavior. It was during the late 1960s that researchers discovered the potential of goal setting in enhancing task performance. Subsequent investigations led to the identification of three fundamental components deemed essential for maximizing task performance: goal specificity, goal difficulty, and goal commitment. Esteemed scholars in this field, Locke and Latham, have extensively studied this topic and formulated a comprehensive theory of goal setting (Steers, 2004). Their contributions have significantly shaped our understanding of the dynamics involved in setting and pursuing goals.

The goal-setting theory was developed based on extensive empirical research spanning over four decades. Their investigations were influenced by Ryan's (1970) assertion that consciously set goals have a significant impact on human behavior. In their scholarly contributions, Locke and Latham introduced a comprehensive model that delineates the key components of the theory and elucidates the high-performance cycle, as depicted in Figure 13 (Locke & Latham, 2002). The goal-setting theory highlights the importance of specific and challenging goals in enhancing performance and motivation. Individuals' motivation is influenced by the goals they set, and higher difficulty levels lead to better outcomes (Koçel, 2003). Managers should align their goals with those of employees and consider their input for successful performance.

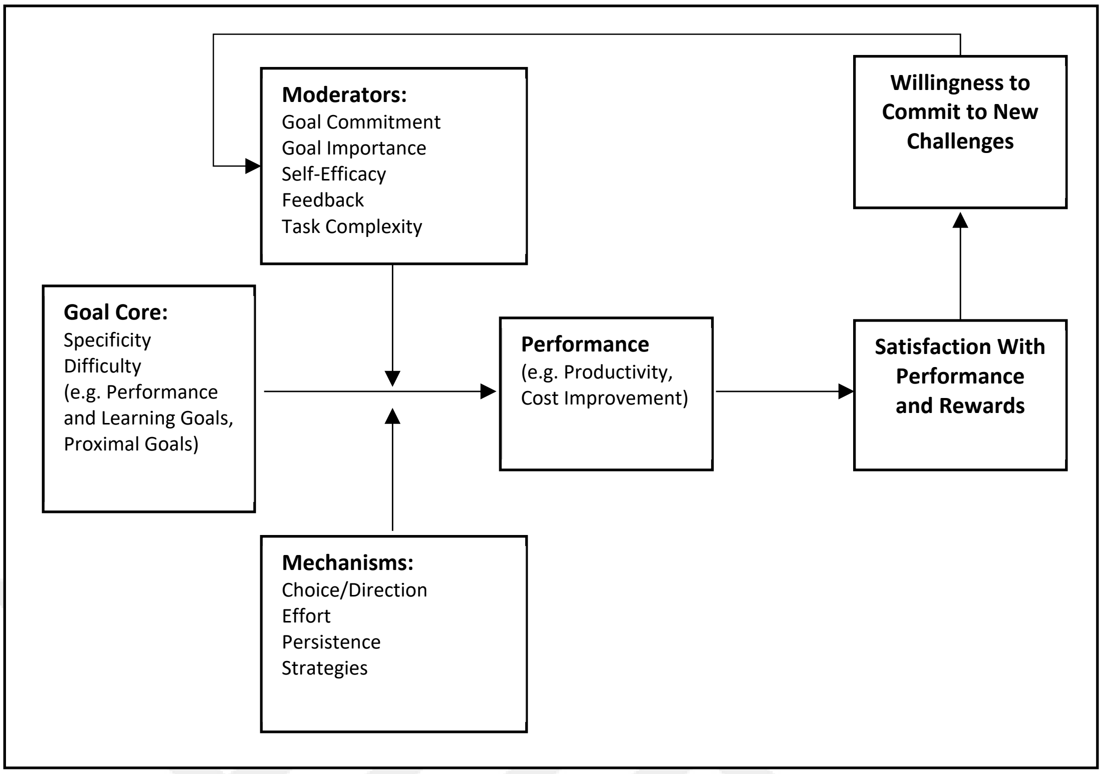

Figure 13: Essential Elements of Goal-Setting Theory and the High-Performance Cycle
Reference: Locke & Latham, 2002

In summary, process theories of motivation delve into the mechanisms through which needs are transformed into behavior, providing insights beyond mere outcome analysis. These theories explore the determinants of behavior, the motivational processes involved, and their implications for motivation. While the initial process theories shed light on motivation, their application within the workplace lacked substantial empirical support. Consequently, researchers have endeavored to build upon these foundational theories with more contemporary perspectives.

The subsequent section will elucidate these modern theories in greater detail.

2.2.3. Contemporary Theories of Motivation

Earlier theories of motivation lacked strong empirical evidence regarding their relevance and applicability in the business context. In response to this limitation, contemporary theories have emerged, offering a more updated and comprehensive understanding of employee motivation (Cengiz, 2019). This section will delve into two prominent contemporary theories, namely self-determination theory and self-efficacy theory, which have gained significant traction in the field of motivational research.

2.2.3.1. Self – Determination Theory

Earlier expectancy theories have undergone extensive research, particularly regarding the challenges associated with intrinsic and extrinsic motivation. In the 1970s, studies began exploring the potential interaction between intrinsic and extrinsic motivation, which could have either positive or negative effects on each other. This led to the development of the Cognitive Evaluation Theory (CET), which aimed to explain how extrinsic motivation influences intrinsic motivation (Gagne & Deci, 2005). When individuals transition from performing a task that was previously undertaken voluntarily and enjoyed to engaging in the same task on a full-time basis for financial compensation, the motivational dynamics undergo a significant shift. CET further posits that the presence of extrinsic rewards can undermine intrinsic motivation and diminish the inherent interest in a task (Robbins & Judge, 2013). Consequently, when individuals are motivated primarily by external incentives such as monetary rewards, they may feel a sense of obligation to perform the task rather than a genuine desire, ultimately leading to a decrease in motivation for that particular activity.

The Self-Determination Theory (SDT) expands upon earlier research by focusing on the concepts of autonomous motivation and controlled motivation, highlighting the distinction between these two forms of motivation. Autonomous motivation refers to an internal drive where individuals willingly and gladly take responsibility for their actions. On the other hand, controlled motivation involves behavior that is driven by external rewards, with the motivation originating from extrinsic factors rather than intrinsic factors. However, when there is congruence between controlled motivation, such as rewards and punishments, and individuals' goals and values, externally controlled behavior can approach internal behavior, a phenomenon known as internalized extrinsic motivation (Cengiz, 2019). This implies that employees who perceive a sense of control over their work and have the freedom to make choices are more likely to be motivated. Consequently, managers should strive to internalize extrinsic rewards to create an engaging work environment and provide employees with a sense of autonomy over their tasks.

2.2.3.2. Self–Efficacy Theory

Bandura (1995) highlights the multitude of theories proposed regarding the role of control in human life. It is observed that individuals' beliefs have a more substantial impact on their motivation levels, emotional states, and actions compared to external factors. Consequently, research focuses on understanding individuals' beliefs in their capacity to produce effects and how these beliefs can be enhanced. The Self-Efficacy theory elucidates how individuals' beliefs in their organizational and executive capabilities influence their ability to handle various events. Self-Efficacy, also known as Social Cognitive Theory or Social Learning Theory, pertains to individuals' belief in their capacity to successfully execute a given task. As a result, self-efficacy and confidence in one's ability to achieve success are intricately connected. When self-efficacy is low, individuals are more inclined to give up or reduce their efforts, leading to decreased prospects of overcoming challenges. Conversely, when self-efficacy is high, individuals are more likely to exert greater effort and possess a heightened likelihood of surmounting obstacles (Robbins & Judge, 2013). Therefore, it is of utmost importance for employees to believe in their competence and possess the necessary skills to accomplish their objectives.

Beliefs regarding personal competence play a pivotal role in shaping an individual's self-knowledge. There are four primary sources of information that contribute to the development and enhancement of self-efficacy (Bandura, 1997). The first source is the Enactive Mastery Experience, wherein individuals gain confidence by accomplishing specific tasks, thus feeling more capable of undertaking similar tasks in the future. The second source is vicarious experience, whereby individuals observe others competently performing a task, leading to an increase in their self-efficacy through the process of comparing their abilities to those of the observed individuals. The third source is Verbal Persuasion, involving individuals being influenced by others who assert their competence in completing a task, thereby fostering an elevation in their self-efficacy. Lastly, the fourth source is the psychological and affective state, which entails individuals' emotional arousal influencing their efficacy beliefs and motivating them to perform at a higher level (Cengiz, 2019). To enhance employees' self-efficacy beliefs, it is advantageous to encourage them to establish specific targets and offer opportunities for them to successfully achieve those goals. By doing so, employees are likely to experience a boost in their motivation levels and develop a greater sense of confidence in their ability to perform effectively in their respective roles.

Recent research has witnessed a notable shift in emphasis toward internal factors in comprehending human behavior and motivation. Contemporary theories in this domain strive to uncover the internal mechanisms that propel these processes, elucidating how external factors can be internalized to exert an influence on motivation. Moreover, these theories explore the role of enhancing self-efficacy beliefs in shaping behavior and ultimately influencing job performance.

2.3. From Intrinsic to Extrinsic: The Different Forms of Employee Motivation

Vallerand and Losier's research has shed light on the influence of different forms of motivation on outcomes, with their impact being contingent upon the fulfillment of one's needs. Wang et al. (2019) assert that these forms of motivation can be categorized into four major types of behavior regulation. Additionally, the diverse manifestations of motivation, which can stem from either internal or external sources and can be differentiated based on action or non-action behavior. The four categories of motivation include intrinsic motivation, characterized by internally generated and action-oriented drive; identified motivation, originating from an external source yet

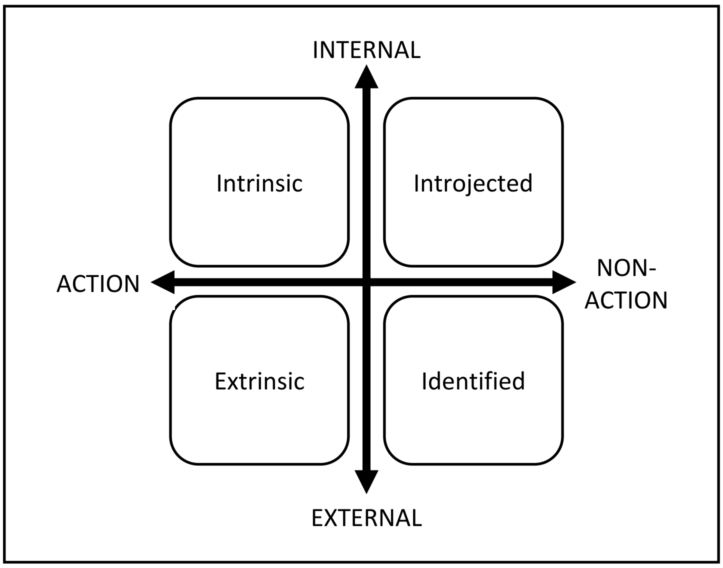

Figure 14: Types of Employee Motivation
Reference: Changing-Minds, 2016

non-action-oriented; introjected motivation, arising from internal factors but not translated into action; and extrinsic motivation, derived externally and involving action (Triola, 2021). Recognizing and comprehending these distinct types of motivation is crucial for individuals and organizations alike, as they can significantly contribute to attaining heightened performance levels and desired goals.

2.3.1. Intrinsic Motivation

Intrinsic motivation refers to the engagement in behavior driven by the inherent enjoyment or satisfaction derived from the activity itself, rather than external incentives or rewards. It signifies a deep-seated desire to participate in an activity for its own sake, driven by internal factors rather than external influences such as pressure or extrinsic benefits. The concept of intrinsic motivation was initially identified through studies on animal behavior, which revealed that many organisms engage in playful, exploratory, and curiosity-driven actions even without reinforcement or tangible rewards (Ryan & Deci, 2000). Similarly, intrinsic motivation can be characterized as being fueled by an individual's inner desires and emotions. It arises from internal needs such as personal growth, autonomy, or a sense of purpose. Intrinsically motivated individuals tend to embrace challenging tasks, derive pride from their accomplishments, and strive for self-improvement. This type of motivation is often associated with personal satisfaction, heightened levels of engagement, and improved performance. Intrinsic motivation is widely recognized as the underlying reason why individuals engage in activities without the presence of external rewards (Qayyum & Sukirno, 2012).

Intrinsic motivation can be succinctly defined as an innate drive that compels individuals to engage in a specific activity or behavior due to the inherent pleasure, interest, or sense of fulfillment it offers. Unlike extrinsic motivation, which is influenced by external rewards or punishments, intrinsic motivation is guided by personal satisfaction and a sense of purpose. For instance, individuals who play a musical instrument out of their passion for creating music, rather than for any external reward or to avoid punishment, demonstrate intrinsic motivation. Extensive research indicates that intrinsic motivation is associated with positive emotions, heightened creativity, and overall well-being, as individuals are guided by their internal desires and fulfillment, rather than external factors.

2.3.2. Identified Regulation

In addition to extrinsic motivation, there exists a form of motivation known as "regulation through identification," which demonstrates a higher degree of self-determination. This type of motivation arises when individuals recognize the personal significance of a particular behavior and adopt it as their regulation. For instance, if a young boy acknowledges the value of a learning activity, such as memorizing spelling lists, because it aligns with his aspiration of becoming a writer, he has identified with the intrinsic worth of this behavior and becomes motivated to engage in it as a result of personal ownership. The concept of regulation through identification underscores the importance of individuals identifying with behavior in fostering motivation (Ryan & Deci, 2000).

Identified regulation entails the voluntary performance of behaviors that are personally meaningful to the individual, driven by a sense of desire or preference rather than obligation or duty. In other words, individuals are motivated to engage in such behaviors because they genuinely want to, not because they feel they ought to. These behaviors reflect the individual's objectives, and the motivation underlying them emanates from an intrinsic sense of desire or preference, rather than any external sense of obligation or responsibility (Guay et al., 2013). Stated differently, individuals are motivated to carry out these behaviors because they possess a genuine inclination towards them, rather than perceiving them as obligatory tasks.

To summarize, identified regulation can be categorized as a type of extrinsic motivation whereby individuals willingly participate in behavior because they identify with its significance. This engenders an enhanced sense of self-motivation and autonomy in individuals.

2.3.3. Introjected Regulation

Introjected regulation represents an internal form of regulation that involves a certain level of control, as individuals engage in actions to avoid negative emotions or bolster their ego. However, behaviors associated with introjected regulation are not fully integrated into an individual's sense of self. For instance, undertaking a task solely to enhance or preserve one's self-esteem is considered a classic manifestation of introjection, as it entails external pressures (Ryan & Deci, 2000).

Introjected regulation pertains to a form of motivation in which individuals internalize external pressures to some extent, leading them to engage in specific behaviors to evade negative emotions such as guilt, anxiety, or shame, or to enhance their self-esteem, sense of worth, or pride (Zamarripa et al., 2018). Employees who are driven by introjected reasons to carry out their work, such as avoiding guilt, shame, or negative self-evaluation, may possess a lower degree of self-determination as they feel compelled by self-imposed obligations or duties. This implies that the concept of introjected regulation can influence internal regulation and self-determination (Lam & Gurland, 2008). In other words, when individuals engage in behaviors based on external pressures to evade negative emotions, enhance their ego, or uphold self-esteem, the motivation behind their actions may still be perceived as controlling and less self-determined, even if it originates from within.

2.3.4. External Regulation

External regulation, classified as a form of extrinsic motivation, represents the least self-directed type of motivation. It involves engaging in actions prompted by external demands or the pursuit of rewards imposed by others. Individuals exhibiting externally regulated behavior typically perceive themselves as being coerced or controlled, perceiving the motivation behind their actions to originate from an external source rather than from within themselves (Ryan & Deci, 2000). This form of motivation arises when individuals perform activities solely to obtain external rewards or avoid external consequences. In this case, the individual's behavior is entirely driven by external factors, lacking any inherent enjoyment or personal interest in the activity itself. For example, a teacher who teaches solely to receive a salary is exemplifying externally regulated behavior (Niyomsin, 2018). Comprehending the concept of external regulation is crucial for understanding motivation, as it underscores the adverse outcomes associated with relying on external factors rather than internal drive for motivation. This reliance on external incentives or requirements can generate feelings of control or coercion. These implications extend to various domains, such as education or work, where external incentives or obligations can influence behavior in ways that are ultimately dissatisfying or short-lived in the long term.

To summarize, employees can experience four distinct types of motivation: intrinsic, identified, introjected, and external. Intrinsic motivation arises from internal factors such as personal growth, challenge, or fulfillment, which can enhance performance and provide personal satisfaction. Identified regulation, on the other hand, is an extrinsic motivation where individuals recognize the personal value of a specific behavior. Introjected regulation, an internal form of motivation, is driven by external pressures. Lastly, external regulation represents the least self-determined form of motivation, as it is influenced by external factors. Comprehending these different types of motivation is essential for both individuals and organizations to achieve optimal performance and reach their desired objectives.

3. EXPLORING THE RELATIONSHIP BETWEEN LEADERSHIP STYLES AND EMPLOYEE MOTIVATION IN FAMILY-OWNED BUSINESSES

The research is structured into three main sections. The first section establishes a general framework by introducing the context of family-owned businesses. In this section, the variables under investigation are examined, specifically focusing on the leadership styles, which serve as the independent variables in the research. This part aims to provide a comprehensive understanding of the organizational context in which the study is conducted, laying the groundwork for subsequent analysis.

The second section of the research delves into the detailed exploration of employee motivation, which is the dependent variable of the study. This section offers an in-depth discussion of various motivation approaches, presenting a comprehensive overview of theoretical perspectives and empirical findings in the field. By thoroughly examining employee motivation, this part aims to establish a strong foundation for understanding the complex nature of motivation and its relevance to the research objectives.

In the third and final section of the study, the analysis of the data collected from the survey will be presented. Before the analysis, a literature review will be conducted to explore the relationships between family-owned businesses, leadership styles, and employee motivation concepts discussed in the preceding chapters. Subsequently, the methodology employed in the research, including the limitations, the population under study, the sample selection process, and the research instruments used, will be described. The research findings will then be presented, followed by an evaluation of the survey results.

By structuring the research in this manner, the study aims to provide a comprehensive and systematic examination of the variables and concepts under investigation. This organized approach enables a clear understanding of the research framework, the interplay between family-owned businesses, leadership styles, and employee motivation, as well as the analytical insights derived from the survey data. This structured presentation enhances the academic rigor and coherence of the research, contributing to its overall scholarly value.

3.1. The Purpose and Significance of the Study

The primary objective of this research is to investigate the influence of leadership styles on employee motivation in the context of family-owned businesses. Given the significant presence and impact of family-owned businesses in the global economy, it is crucial to gain a deeper understanding of the factors that affect employee motivation within these organizations. The study aims to uncover the effectiveness of different leadership styles in fostering employee engagement and active participation in family-owned businesses. The findings of this research will contribute to the development of strategies and practices aimed at enhancing employee performance and retention within such organizations. In essence, this research endeavors to provide valuable insights into the relationship between leadership and motivation in the unique context of family-owned businesses and offer potential implications for the broader field of organizational behavior and management.

This study will make several noteworthy contributions to the existing literature. Firstly, it will provide fresh perspectives and insights into the connection between leadership styles and employee motivation within the specific context of family-owned businesses. By examining this relationship, the research will enhance our understanding of the distinct dynamics at play in these organizations and shed light on how leadership styles can impact employee motivation. Secondly, the study will explore a range of motivation approaches relevant to the workplace and examine their applicability and efficacy within family-owned businesses. This comprehensive analysis will facilitate a more nuanced understanding of the factors that influence employee motivation in this particular setting. Additionally, the research will utilize empirical data obtained through a survey of employees working in family-owned businesses, thereby bolstering the theoretical discussions presented in the literature review. Overall, this study aims to yield valuable findings that will advance the current understanding of family-owned businesses, leadership styles, and employee motivation, while also providing a foundation for future research endeavors in this field.

3.2. Existing Studies on the Concepts Related to the Research Topic

Before delving into the examination of the relationship between leadership styles and employee motivation within family-owned businesses, this study undertook an analysis of the interrelationships among the concepts of family-owned businesses, leadership styles, and employee motivation. The objective of this analysis was to explore the associations between these concepts, considering their interconnectedness and maintaining contextual relevance. Notably, extensive research exists in the domestic and foreign literature concerning these relationships individually. However, the number of studies concurrently investigating the three concepts, namely family-owned businesses, leadership styles, and employee motivation, remains limited.

Among the studies that explore these three concepts together, the most recent one was conducted by Deniz Sönmez in 2022. This particular study involved 15 distinct family-owned businesses and 187 employees. While the influence of autocratic and laissez-faire leadership styles on employee performance was found to be statistically insignificant, the democratic leadership style demonstrated a positive effect on employee productivity. Likewise, recent studies by Amegayibor in 2021, encompassing 400 participants, and by Al-Sarraf, involving 588 participants, examined the impact of leadership styles within family-owned businesses on employee motivation. The findings of these studies revealed significant positive or negative effects of leadership styles on employee motivation.

3.3. Methodology

This section presents a detailed discussion of the research methodology, model, and hypotheses employed in the study. It provides insights into the specific approach taken to investigate the relationship between leadership styles and employee motivation in family-owned businesses. Additionally, information regarding the regression model utilized in the research and its corresponding outcomes is presented.

3.3.1. The Methodology of the Research

The objective of this study, focusing on family-owned businesses, is to investigate the association between leadership styles and employee motivation utilizing a regression model. Furthermore, the analysis encompasses an examination of the demographic characteristics of the participants and the frequency distributions derived from the collected data.

3.3.2. The Model and Hypotheses of the Study

The research model and hypotheses of this study are presented as follows:

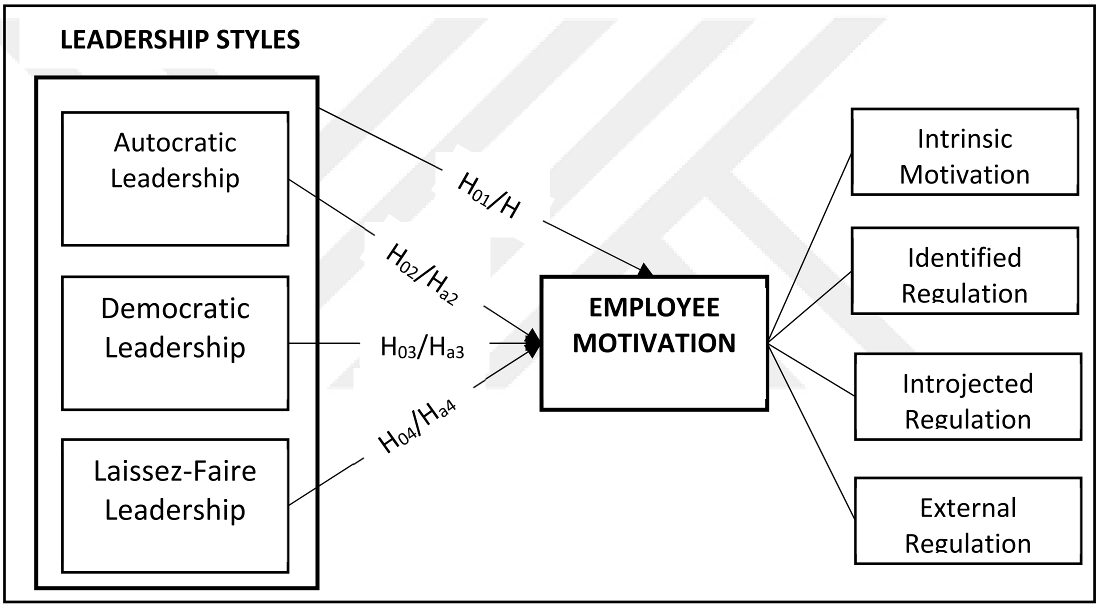

Figure 15: Research Model

Table 1: Hypotheses of the Research

Hypothesis 1	H_1 = Leadership style has an effect on employee motivation in family-owned businesses.
Hypothesis 2	H_2 = Autocratic leadership has a negative effect on employee motivation in family-owned businesses.
Hypothesis 3	H_3 = Democratic leadership has a positive effect on employee motivation in family-owned businesses.
Hypothesis 4	Ha_4 = Laissez-Faire leadership has a positive effect on employee motivation in family-owned businesses.

3.3.3. Regression Model

Regression analysis, as described by Beers (2023), is a statistical technique used to explore the relationship between a dependent variable (Y) and a set of independent variables. The most commonly used form of regression is linear regression, which involves fitting a best-fit line to determine the linear relationship between two variables. However, nonlinear regression models are also available for more complex relationships.

Regression analysis is a valuable tool for examining the associations between observed variables in a dataset, although it cannot establish causality. It finds applications in various fields such as finance, economics, and business, where it aids in asset valuation and facilitates the understanding of relationships between different factors. By utilizing regression models, researchers can assess the impact of independent variables, such as leadership styles, on the dependent variable of employee motivation in the present study.

3.4. Population and Sample of the Research

The research focused on employees working in family-owned businesses located in Istanbul. The primary objective was to investigate the impact of leadership styles employed by managers or leaders in family-owned businesses on employee motivation. To accomplish this, an online survey method was utilized. Specifically, a total of 440 surveys were distributed among 14 identified family-owned businesses operating in Istanbul. Ultimately, 260 individuals responded to the survey.

Given the absence of an exact count of family-owned businesses in Turkey, it was determined that the sample size should be at least five times the number of questions in the scales used, as referenced in Gözen (2018). Considering the presence of 37 questions in the study, a minimum of 185 completed surveys was deemed necessary. With the collection of 260 surveys, it can be observed that the study has satisfied both the sufficient and necessary conditions for an appropriate sample size.

The obtained data were analyzed using the SPSS 19.0 statistical data analysis program. Initially, frequency analyses were conducted to examine the demographic questions. Subsequently, well-established scales for measuring leadership styles and employee motivation were employed in the study, and reliability analysis values were computed to assess the reliability of the scale data.

3.5. Scales Used in the Research

The survey conducted in Istanbul province aimed to investigate the association between leadership styles and employee motivation in family-owned businesses. To assess each variable, two distinct surveys were employed, and in this section, a comprehensive analysis of each survey is presented.

3.5.1. Employee Motivation Scale

The Employee Motivation Scale used in the present study was developed by Gagné et al. (2010). Çivilidağ and Şekercioğlu (2017) subsequently adapted this scale in Turkish in their study titled “Çok Boyutlu İş Motivasyonu Ölçeğinin Türk Kültürüne Uyarlanması”. Noteworthy, Zengin (2019) and Zor (2020) also integrated the employee motivation scale into their respective investigations. Originally encompassing six dimensions, the scale underwent a reduction to four dimensions and was distilled to 12 items in alignment with the research objectives and the findings of the preliminary study observed with our factor analysis results. Reliability and exploratory factor analysis results for four dimensions show that the scale structure is suitable for research. In addition, the structural consistency of the model formed after exploratory factor analysis was also examined. The scale comprises a total of 12 items, each rated across a 7-point spectrum (ranging from 1: "Not at all" to 7: "Exactly").

3.5.1. Leadership Styles Scale

The Leadership Styles Scale used in the present study was developed by Luthans (1992). In accordance with the Turkish context, Güney & Zel (1997) undertook the process of adaptation within their research endeavors. Moreover, Sönmez (2022) similarly incorporated this scale into her study titled "The Effects of Leadership Styles in Family Businesses on Employees' Work Performance". The scale comprises a total of 25 items, each rated across a 5-point spectrum (i.e., 1: “Strongly disagree”, 5: “Strongly agree”).

3.6.Findings

The data collected from the online survey was subjected to analysis using SPSS 19.0 software. The chosen analysis techniques were aligned with the research objectives and aimed to provide meaningful insights in support of the research goals. The survey questionnaire served the purpose of obtaining participants' demographic information and evaluating their responses to the scales utilized in the study.

The reliability of the scales, as established in the existing literature, was assessed to ensure the robustness of the data. Both overall and dimensional reliability analyses were conducted on the scales to evaluate their reliability for the research sample. The results obtained were consistent with previous studies, indicating satisfactory reliability. These dimensions were then utilized as a condensed version of the scale items for subsequent analyses.

Correlation and regression analyses were performed to examine the relationships among the dimensions and to calculate correlation coefficients and effect sizes. These analyses aimed to determine the extent and direction of influences between the dimensions, specifically investigating the impact of leadership styles (independent variable) on employee motivation (dependent variable). Hypotheses formulated in the study were tested based on these analyses to ascertain the statistical significance of the relationships.

The results of the hypotheses were carefully interpreted and discussed, shedding light on the nature and strength of the associations between leadership styles and employee motivation within the context of family-owned businesses. This section also provided an overview of the participant's demographic characteristics, offering valuable contextual information for the subsequent analysis. Additionally, the statistical findings related to the scales, including reliability, validity, and correlation analyses, were presented to support the research conclusions. Finally, regression analysis was conducted to investigate the impact of leadership styles on employee motivation, providing insights into the significance and magnitude of these relationships.

3.6.1. Demographic Information

Through the utilization of the convenience sampling method, an online survey was administered to a targeted population of 440 employees employed across 14 distinct family-owned businesses operating within the geographical boundaries of Istanbul province. A total of 260 valid responses were received, effectively representing the sample size utilized for the subsequent data analysis and interpretation.

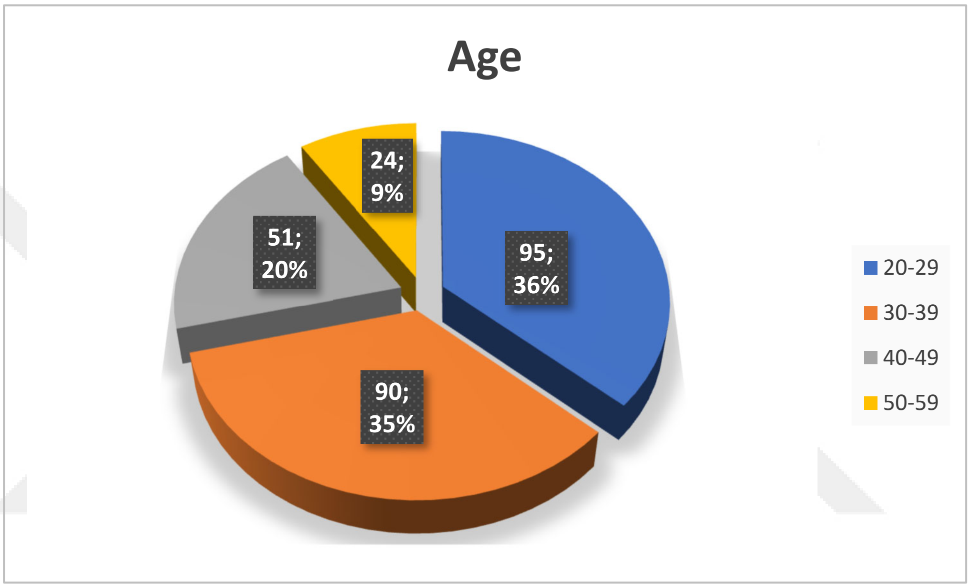

Figure 16: Age Distribution of Participants

Upon examining the demographic profile of the participating employees within the family-owned business, it was revealed that a substantial proportion of the sample consisted of individuals in various age brackets. Specifically, 36% of the participants fell within the 20-29 age range, while 35% were in the 30-39 age range. Additionally, 20% of the respondents belonged to the 40-49 age category, and a smaller segment, constituting 9%, was situated in the 50-59 age range. These findings indicate a notable predominance of participants within the middle-aged group.

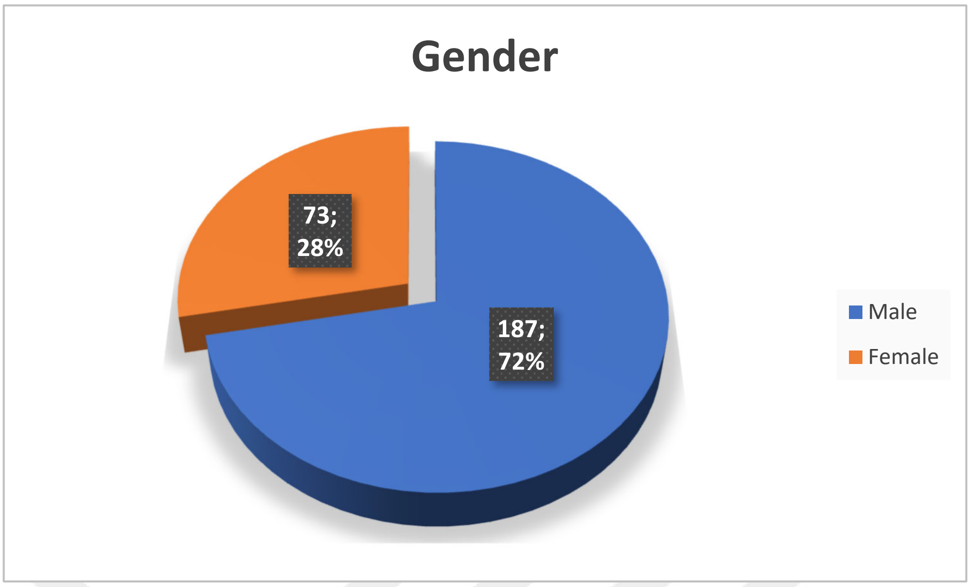

Figure 17: Gender Distribution of Participants

The study observed a gender distribution among the participants, revealing that 28% of the respondents identified as women, whereas the remaining 72% identified as men. These findings indicate a higher representation of male participants in the study sample.

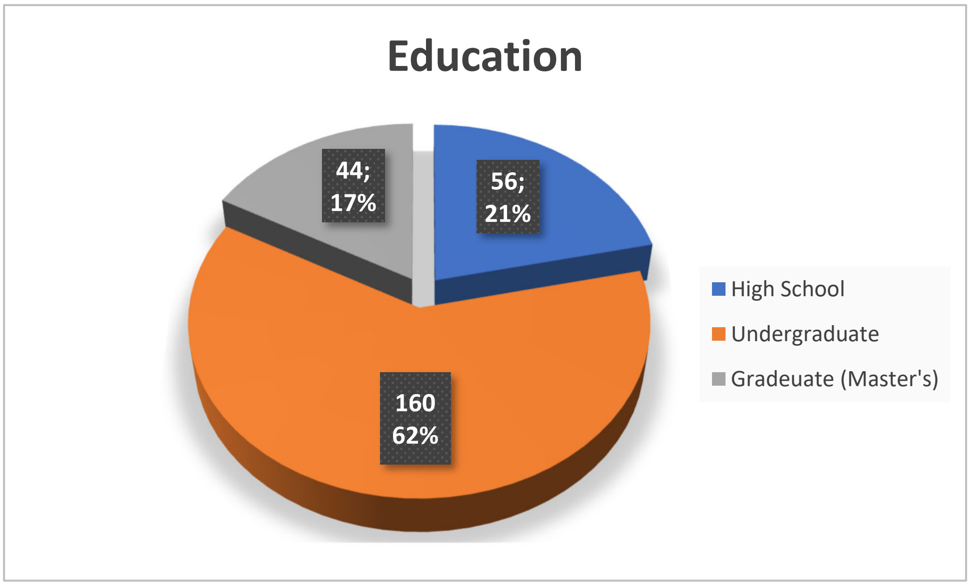

Figure 18: Education Level of Participants

The educational backgrounds of the participants were examined, revealing that 21% reported having a high school education, 62% possessed an undergraduate degree, and 17% had obtained a graduate or master's degree. These findings indicate a majority of participants with an undergraduate degree, followed by a significant proportion with a high school education. Additionally, a notable portion of participants had achieved a higher level of education with a graduate or master's degree.

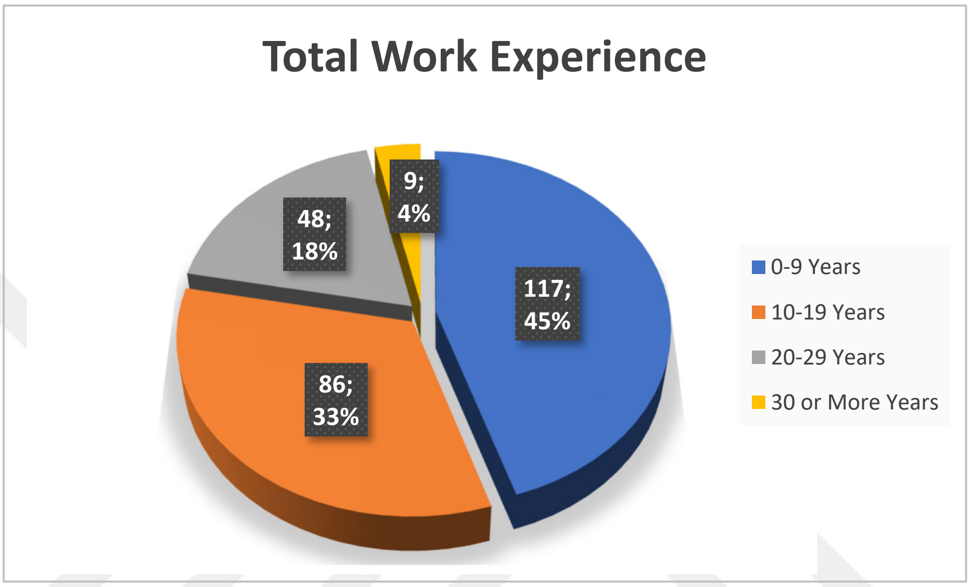

Figure 19: Total Work Experience of Participants

Upon analyzing the participants' work experience, it was observed that 45% of respondents reported having 0 to 9 years of work experience, while 33% indicated having 10 to 19 years of experience. Furthermore, 18% of participants reported having 20 to 29 years of work experience, and a minority of 4% stated having 30 years or more of total work experience. These findings highlight a diverse range of work experience among the participants, with a significant proportion falling within the 0 to 9 and 10 to 19 years categories.

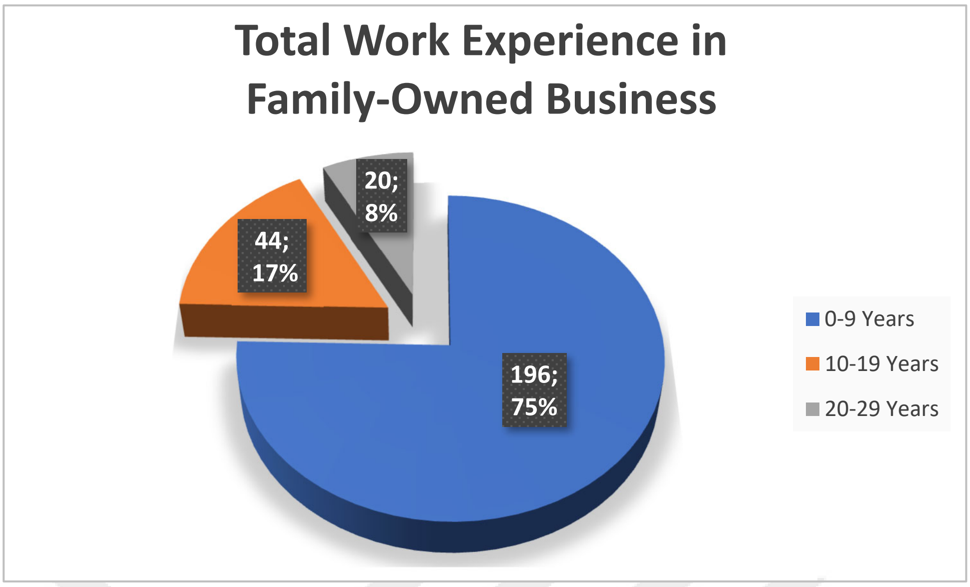

Figure 20: Total Work Experience in Family-Owned Business of Participants

Based on the data obtained, it was revealed that 75% of the participants reported having 0 to 9 years of work experience in family-owned businesses. Additionally, 17% indicated having 10 to 19 years of experience, while a smaller proportion of 8% reported having 20 to 29 years or more of total work experience in family-owned businesses. The finding that the participants' total work experience exceeds their experience specifically in family-owned businesses suggests that a significant portion of them have also been employed in non-family businesses at some point in their careers.

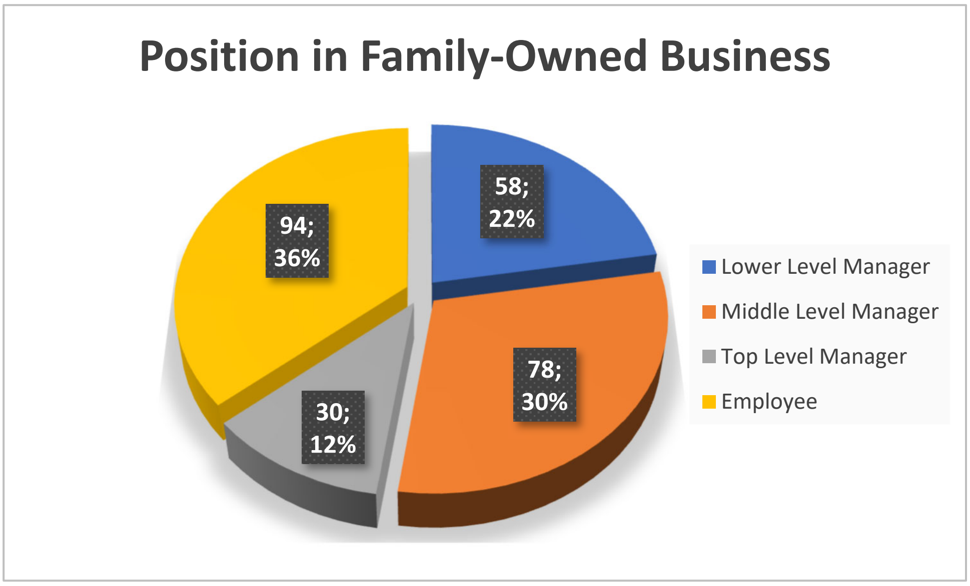

Figure 21: Position in Family-Owned Business of Participants

Upon examining the participants' positions within the business, it is evident that 22% of them hold lower-level managerial positions, 30% occupy middle-level managerial positions, 12% are in top-level managerial positions, and the remaining 36% are classified as employees. While the majority of participants are employees, it is noteworthy that individuals in managerial roles play a crucial role in assessing their leaders' styles and observing their influence on employee motivation. Understanding the relationship between leadership styles and employee motivation is particularly significant for participants in managerial positions, as they can shape and guide the work environment and employee engagement within the organization.

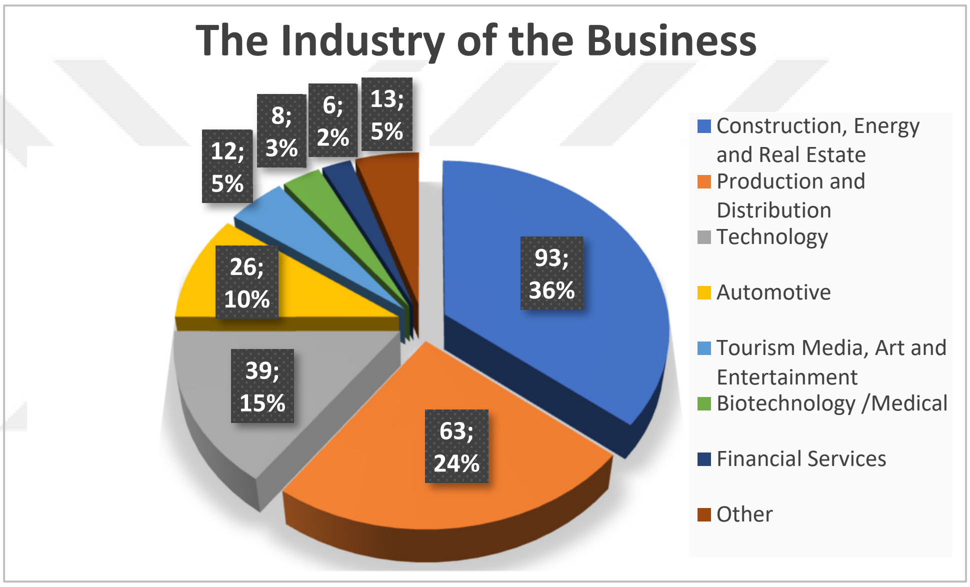

Figure 22: The Industry of Participants' Business

Upon examining the participants' work sectors, it is evident that 36% of them are employed in the construction, energy, and real estate sector, followed by 24% in the manufacturing and distribution sectors. Furthermore, 15% of participants work in the technology sector, 10% in the automotive sector, 5% in the tourism, arts, and entertainment sector, 3% in the biotechnology and medical sector, 2% in financial services, and 5% in sectors not included in the aforementioned categories. The diverse representation of family-owned businesses across these sectors holds significant value in evaluating leaders with varied styles within different industries and comprehending the factors influencing employee motivation. By considering leaders from multiple sectors, this study can provide insights into the impact of leadership styles on employee motivation across a broad range of industries, facilitating a more comprehensive understanding of this relationship.

3.6.2. Descriptive Statistics

The statistical data obtained from the survey responses were utilized to provide a comprehensive analysis of the evaluations made by individuals working in family-owned businesses regarding the leadership styles exhibited by their leaders. These statistical analyses facilitated the exploration of various dimensions and factors related to leadership styles, enabling a deeper understanding of how these styles influence employee perceptions and motivations. By employing rigorous statistical techniques, the study aimed to derive meaningful insights and draw reliable conclusions regarding the leadership dynamics within family-owned businesses.

Table 2: Leadership Styles

Leadership Style Scale	Mean	Stnd. Deviation
Democratic Leadership		
1. My manager is always seeking new opportunities for the unit/department/bank	3,39	0,902
2. My manager has a clear knowledge and understanding of where the bank is going	3,43	0,914
3. I get inspired by my manager's plans for the future	3,26	0,906
4. My manager leads by acting rather than telling	3,26	0,972
5. My manager leads by example	3,43	0,869
6. My manager provides an appropriate model to follow	3,35	1,102
7. My manager encourages collaboration among every employee	3,53	0,819
8. My manager fosters teamwork	3,61	1,101
9. My manager encourages the group to work together to achieve the same goal	3,55	0,919
Laissez-faire Leadership		
10. My manager develops a team spirit attitude among his/her employees	3,39	0,905
11. I feel so much is expected of me from my manager	3,62	0,914
12. My manager always insists that there is room for improvement	3,39	0,907
13. My manager always insists on the best performance	3,51	0,975
14. My manager acts without considering my feelings	2,80	0,879
15. My manager respects my personal feelings	3,58	1,105
16. My manager behaves thoughtfully when I have personal needs	3,75	0,819
17. My managers act without considering my personal feelings	2,57	0,908

Autocratic Leadership		
18. My manager makes work that looks difficult to me a lot easier	3,34	0,905
19. My manager has ideas that have forced me to rethink some of my ideas that I have never questioned before	3,23	0,976
20. My manager has encouraged me to look at the brighter side of every problem	3,40	1,212
21. My manager always gives me positive feedback when I perform well	3,54	1,009
22. I get special recognition from my manager when I perform very well	3,36	0,899
23. I get commendations from my manager when I perform above my average job	3,39	0,901
24. I get personal compliments from my manager when I do an outstanding work	3,44	0,915
25. My manager rarely acknowledges my good performance	2,63	0,912

(n): 260

Participants in the family-owned business were solicited for their opinions regarding the democratic leadership behaviors exhibited by their managers. Through the analysis of the collected data, it was possible to identify the judgments with the highest average participation, shedding light on the participants' perceptions of their managers' abilities to foster teamwork and effectively lead work groups. Moreover, the participants perceived their managers as exemplary leaders in driving the achievement of business goals, possessing the requisite knowledge and understanding to organize and guide their employees in this regard.

Furthermore, the participants were requested to evaluate the laissez-faire leadership management style of their managers. The responses indicated that employees felt a sense of freedom to address their personal needs, and they believed their managers consistently respected their sentiments and ideas.

Finally, the participants were also asked to assess their leaders' autocratic behavior. The expressions corresponding to the highest average responses reflected the opinions with which employees most strongly agreed. The results revealed that employees received constructive feedback when performing well, their leaders encouraged them to approach challenges with a positive mindset, and they received recognition from their managers for exceptional performance.

By utilizing statistical techniques, the study sought to illuminate the evaluations of individuals employed in family-owned businesses regarding employee motivation. The obtained data enabled a comprehensive analysis of these evaluations, offering valuable insights into the factors that influence employee motivation within the organizational context of family-owned businesses.

Table 3: Descriptive Statistics for Employee Motivation

Employee Motivation Scale	Mean	Stnd. Deviation
Intrinsic Motivation		
1. Because I enjoy this work very much	4,58	0,912
2. Because I have fun doing my job	4,67	0,856
3. For the moments of pleasure that this job brings me	4,92	0,911
Identified Regulation		
4. I chose this job because it allows me to reach my life goals	4,77	0,932
5. Because this job fulfills my career plans	4,62	0,899
6. Because this job fits my values	4,81	1,013
Introjected Regulation		
7. Because I have to be the best in my job, I have to be a "winner"	4,81	0,832
8. Because my work is my life and I don't want to fail	5,01	0,844
9. Because my reputation depends on it	3,08	0,877
External Regulation		
10. Because this job affords me a certain standard of living	4,87	1,002
11. Because it allows me to make a lot of money	3,70	0,933
12. I do this job for the paycheck	3,44	0,987

(n): 260

The table provides a comprehensive overview of the judgments and corresponding statistical data, including the mean and standard deviation, collected to assess employee motivation. Through the analysis of participant scores, it was observed that managers actively directed and guided employees toward collaborative teamwork, fostering a cooperative and cohesive work environment. Moreover, participants expressed a strong inclination to avoid job failures, indicating a motivation to perform their tasks with a high level of diligence and accuracy.

3.6.3. Reliability Analysis

This section provides the results of the reliability test conducted for the two scales employed in the present study. The table presented below showcases the reliability coefficients for the scales and their respective sub-dimensions. To ascertain the validity and consistency of the parameter values, the study conducted a reliability analysis, drawing upon previous literature in the field. The findings from this analysis affirm that both scales utilized in the study are suitable and reliable measures for the research objectives, demonstrating their appropriateness for the sample population under investigation.

Table 4: Reliability Analysis Results

Scales & Dimensions	Cronbach Alpha	n (items)
Leadership Styles Scales	**0,849**	**25**
Democratic leadership	0,864	9
Laissez-faire leadership	0,832	8
Autocratic leadership	0,817	8
Employee Motivation Scale	**0,902**	**12**
Intrinsic Motivation	0,883	3
Identified Regulation	0,904	3
Introjected Regulation	0,911	3
External Regulation	0,872	3

The consistency of responses to a standardized questionnaire using a predetermined scale was assessed by calculating Cronbach's Alpha coefficient for the participants' answers. The reliability analysis aimed to determine the internal consistency of the questions that involved ordinal-scale responses. The results of the analysis revealed a Cronbach's Alpha value of 0.849 for the leadership scale and 0.902 for the employee motivation scale. These values indicate a high level of reliability and consistency among the questions within both scales, aligning with the research objectives.

Upon reviewing the values presented in the table, it is evident that all Cronbach's Alpha coefficients exceed 0.800, indicating that the dimensions within the scales are appropriate and highly reliable for the research context.

Following the guidelines provided by Kottner et al. (2011), Cronbach's Alpha coefficient is interpreted as follows:

- Values between 0.00 and 0.40 are considered unreliable.
- Values between 0.40 and 0.60 indicate low reliability.
- Values between 0.60 and 0.80 suggest moderate reliability.
- Values between 0.80 and 1.00 indicate high reliability.

Given that the reliability values in the table are close to 0.80, it can be concluded that the scales used in the research exhibit a high level of reliability.

3.6.4. Exploratory Factor Analysis

Exploratory research denotes an investigative paradigm characterized by its pursuit of subjects within domains where the researcher's familiarity is limited or where the research focus pertains to nascent themes. This methodological approach is instrumental in assessing the psychometric soundness of measurement scales. Such research endeavors furnish the researcher with initial insights into the subject matter. In this context, factor analysis assumes a pivotal role in unveiling the latent underpinnings accountable for the profusion of quantifiable and perceptible attributes, namely latent dimensions that elude direct observability and measurement.

The table includes exploratory factor analyses pertaining to leadership styles:

Table 5: Exploratory Factor Analysis for Leadership Styles

	Leadership Style Scale	Component Values	Explained Variance %
	Democratic Leadership		
1.	My manager is always seeking new opportunities for the unit/department/bank	0,794	12,802
8.	My manager fosters teamwork	0,745	
9.	My manager encourages the group to work together to achieve the same goal	0,705	
4.	My manager leads by acting rather than telling	0,665	
6.	My manager provides an appropriate model to follow	0,665	
2.	My manager has a clear knowledge and understanding of where the bank is going	0,610	
5.	My manager leads by example	0,562	
7.	My manager encourages collaboration among every employee	0,515	
	Laissez-faire Leadership		
15.	My manager respects my personal feelings	0,766	10,014
16.	My manager behaves thoughtfully when I have personal needs	0,760	
10.	My manager develops a team spirit attitude among his/her employees	0,720	
14.	My manager acts without considering my feelings	0,701	
12.	My manager always insists that there is room for improvement	0,624	
17.	My managers act without considering my personal feelings	0,505	
	Autocratic Leadership		
24.	I get personal compliments from my manager when I do an outstanding work	0,815	8,005
19.	My manager has ideas that have forced me to rethink some of my ideas that I have never questioned before	0,726	
22.	I get special recognition from my manager when I perform very well	0,705	
18.	My manager makes work that looks difficult to me a lot easier	0,680	
23.	I get commendations from my manager when I perform above my average job	0,680	
11.	I feel so much is expected of me from my manager	0,530	
25.	My manager rarely acknowledges my good performance	0,510	
		Total Variance Explained: 30,821	
	Extraction Method: Principal Component Analysis.		
	Rotation Method: Varimax with Kaiser Normalization.		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,902
	Bartlett's Test of Sphericity	Approx. Chi-Square	7633,2234
		Df	602
		Sig.	0,0000

The derived factor configurations align harmoniously with the existing body of literature. The respective dimensions exhibit scale description ratios of 12,802, 10,014, and 8,005. The cumulative explanatory capacity of the scale extends to 30,821% with regard to leadership styles. Enclosed within the tabulated data are the findings of the Kaiser-Meyer-Olkin (KMO) test and Bartlett's sphericity test. These statistical assessments were instrumental in confirming both the adequacy of the sample size for conducting exploratory factor analysis on the scale items and the presence of significant interrelationships among these items. It is notable that the computed KMO value attests to the adequacy of the sample for the intended analytical pursuit.

Table 6: Exploratory Factor Analysis for Employee Motivation

Employee Motivation Scale	**Component Values**	**Explained Variance %**
Introjected Regulation		
7. Because I have to be the best in my job, I have to be a “winner”	0,799	
9. Because my work is my life and I don’t want to fail	0,780	11,766
10. Because my reputation depends on it	0,640	
Identified Regulation		
4. I chose this job because it allows me to reach my life goals	0,730	
6. Because this job fits my values	0,566	5,932
5. Because this job fulfills my career plans	0,489	
External Regulation		
11. Because this job affords me a certain standard of living	0,665	5,011
13. I do this job for the paycheck	0,605	
Intrinsic Motivation		
3. For the moments of pleasure that this job brings me	0,670	
1. Because I enjoy this work very much	0,622	3,976
2. Because I have fun doing my job	0,592	

Total Variance Explained: 26,685

Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,876
Bartlett's Test of Sphericity	Approx. Chi-Square	8793,533
	Df	602
	Sig.	0,0000

The factor configurations elicited exhibit consonance with extant scholarly literature. Elucidation of the dimensionality of the scale reveals its capacity to explicate 26.685% of the variance inherent in employee motivation. Within the provided tabular representation, the outcomes of the Kaiser-Meyer-Olkin (KMO) test and Bartlett's sphericity test are expounded. These analyses substantiated the adequacy of the sample size for the conduct of exploratory factor analysis on the scale items and the existence of statistically significant interrelationships among these items. Evidently, the computed KMO value attests to the appropriateness of the sample in ensuring analytical robustness. Consequently, the scale's validity for research purposes is substantiated.

3.6.5. Confirmatory Factor Analysis (Validity Testing)

Confirmatory Factor Analysis (CFA) is undertaken to corroborate the construct validity intrinsic to the identified dimensions and the model postulated subsequent to the completion of Exploratory Factor Analysis. Among the most prevalent evaluative mechanisms in CFA, there exists a predilection for goodness of fit indices. These indices serve as quantitative measures, gauging the alignment between the proposed model and the empirical data. Their fundamental purpose lies in the assessment of the degree to which the observed data harmonize with the anticipated theoretical framework. The resultant statistical metrics generated through the conduct of Confirmatory Factor Analysis are meticulously collated and presented within the tabulated frameworks below.

The ensuing roster enumerates the goodness of fit indices devised and commonly employed by Hu and Bentler (1999):

- χ^2/df (Chi-square divided by degrees of freedom): This parameter functions as an evaluative measure employed to appraise the conformity of the proposed model with empirical data. A diminished χ^2/df value signifies an enhanced coherence between the model and the observed dataset. Typically, a value that approximates or descends below 2 is considered advantageous within the analytical context.

- RMSEA (Root Mean Square Error of Approximation): This metric constitutes an additional yardstick employed for the assessment of model congruence. The RMSEA quantifies the dissimilarity between the observed data and the projected model.

Decreased RMSEA values signify an enhanced concordance between the model and the empirical data. Generally, a value of 0.05 or below is aspired to within this evaluative framework.

- GFI (Goodness-of-Fit Index): This index stands as an additional statistical metric harnessed for the scrutiny of model congruence. The GFI offers insights into the fidelity with which the hypothesized model aligns with the observed dataset. With values spanning the interval between 0 and 1, proximity to 1 signifies an augmented coherence between the model and empirical data. Ordinarily, an attainment of 0.90 or beyond is sought within the context of this evaluative framework.

- CFI (Comparative Fit Index): This metric constitutes an additional gauge employed for the assessment of model congruence. The CFI provides an assessment of the extent to which the envisaged model aligns with the empirical dataset. Spanning the continuum between 0 and 1, values approaching 1 denote an elevated accord between the model and the observed data. Typically, an attainment of 0.90 or greater is aspired to within this evaluative framework.

- NFI (Normed Fit Index): This index represents an additional metric utilized in the appraisal of model congruence. The NFI quantifies the degree to which the anticipated model coheres with the empirical observations. Within a range from 0 to 1, values proximating 1 signify an elevated alignment between the model and the empirical dataset. Typically, an attainment of 0.90 or beyond is sought within the ambit of this evaluative framework.

These indices of goodness of fit assume significant utility as analytical instruments employed to assess the congruence between the model deduced through confirmatory factor analysis and the dataset at hand. Each index serves to evaluate distinct facets of the model's alignment with empirical observations. In the broader context, a diminished χ^2/df value, a diminished RMSEA value, and augmented GFI, CFI, and NFI values are typically sought after as indicative of a desirable level of model-data correspondence.

Following the completion of exploratory factor analysis, the dimensions were delineated, and the model's goodness-of-fit metrics were computed for the respective scales. The statistical outcomes stemming from the said confirmatory factor analysis are meticulously collated within the subsequent tabular presentations.

Table 7: Fit Index Values for Confirmatory Factor Analysis for Leadership Styles

Index	Model	Good Fit Range	Acceptable Range	Results
χ^2/df	4,225	$0 < \chi2$ /df < 3	$0 < \chi2$ /df < 5	Accepted
RMSEA	0,081	$0 \leq$ RMSEA $\leq 0{,}05$	$0{,}05 <$ RMSEA $\leq 0{,}10$	Accepted
GFI	0,932	$0{,}95 \leq$ GFI ≤ 1	$0{,}90 <$ GFI$< 0{,}95$	Accepted
CFI	0,968	$0{,}97 \leq$ CFI ≤ 1	$0{,}95 \leq$ CFI $< 0{,}97$	Accepted
NFI	0,924	$0{,}95 \leq$ NFI ≤ 1	$0{,}90 <$ NFI $< ,95$	Accepted

Fit indices pertinent to the measuring instrument are as follows: χ^2/sd = 4.225, GFI = 0.932, CFI = 0.968, NFI = 0.924, and RMSEA = 0.081. Considering the implications of these fit indices, it can be asserted that the theoretical framework underpinning the four-dimensional construct finds affirmation through the amassed empirical data.

Table 8: Fit Index Values for Confirmatory Factor Analysis for Employee Motivation

Index	Model	Good Fit Range	Acceptable Range	Results
χ^2/df	4,975	$0 < \chi2$ /df < 3	$0 < \chi2$ /df < 5	Accepted
RMSEA	0,084	$0 \leq$ RMSEA $\leq 0{,}05$	$0{,}05 <$ RMSEA $\leq 0{,}10$	Accepted
GFI	0,944	$0{,}95 \leq$ GFI ≤ 1	$0{,}90 <$ GFI$< 0{,}95$	Accepted
CFI	0,951	$0{,}97 \leq$ CFI ≤ 1	$0{,}95 \leq$ CFI $< 0{,}97$	Accepted
NFI	0,931	$0{,}95 \leq$ NFI ≤ 1	$0{,}90 <$ NFI $< ,95$	Accepted

Fit indices pertaining to the measuring instrument are enumerated as follows: χ^2/sd = 4.975, GFI = 0.944, CFI = 0.951, NFI = 0.931, and RMSEA = 0.084. Upon deliberation of these fit indices, it is tenable to affirm that the theoretical framework encapsulating the four-dimensional construct obtains validation from the amassed empirical dataset.

The implications derived from these findings signify that the employed scales can serve as a dependable instrument for the assessment of leadership attributes and motivational factors.

3.6.6. Correlation Analysis

"Table 5" displays the correlation values between the dimensions of the scales employed in the study. The Pearson correlation coefficient was utilized for the correlation analysis. The results reveal that all the correlations are positively significant at the 1% and 5% levels. These findings indicate a positive association between the sub-dimensions of the employee motivation scale and those of the Leadership Styles scale. Moreover, the study identifies an interrelationship between leadership styles and employee motivation, with an inverse relationship observed specifically between autocratic leadership and employee motivation. The subsequent section will employ regression analysis to delve deeper into the relationship and examine the effects of these variables on each other.

The correlation coefficients among the collected variables are displayed in the table below:

Table 9: Correlation Analysis Results

	Ort.	Stnd. Dev.	Leadership Styles Scale	Democratic Leadership	Laissez-Faire Leadership	Autocratic Leadership	Employee Motivation Scale	Intrinsic Motivation	Identified Regulation	Introjected Regulation	External Regulation
Leadership Styles Scale	3,309	0,704	1								
Democratic Leadership	3,323	0,087	-0,014	1							
Laissez-Faire Leadership	3,381	0,575	-0,017	0,034*	1						
Autocratic Leadership	3,223	0,547	-0,034	0,041	-0,013	1					
Employee Motivation Scale	4,481	0,454	**0,414****	**0,214****	**0,140****	**-0,107****	1				
Intrinsic Motivation	4,711	0,467	**0,308***	0,076*	0,054*	-0,044*	0,076	1			
Identified Regulation	4,734	0,472	**0,163***	0,114*	0,104*	-0,017	-0,114*	-0,33	1		
Introjected Regulation	4,499	0,472	**0,133***	0,114*	0,104*	-0,097*	-0,114*	-0,33	0,054*	1	
External Regulation	3,997	0,445	**0,128****	0,044*	0,044*	-0,049*	0,055	-0,079	0,104*	-0,057	1

* The correlation has statistical significance at the 0.05 level (two-tailed).
** The correlation has statistical significance at the 0.01 level (two-tailed).

3.6.7. Regression Analysis

The following tables present the results of regression analyses conducted to explore the impact of independent variables on dependent variables. The purpose of these analyses is to examine the relationships and effects between the variables of interest.

Table 10: Regression Model for Motivation

Independent Variables (Leadership Styles Scale Dimensions)	B	Stnd. Deviation	Beta	t	Sig.
Democratic leadership	0,381	0,386	0,207	4,884	0,002
Laissez-faire leadership	0,105	0,248	0,148	3,288	0,001
Autocratic leadership	-0,112	0,511	-0,103	1,972	0,000

F: 11,654 df: 16 R2: 0,262 p < 0,05

Dependent Variable: Employee Motivation

The regression analysis model presented in the tables includes three independent variables: Democratic leadership, laissez-faire leadership, and Autocratic leadership. Together, these variables explain 26.2% of the variance in the dependent variable, employee motivation. The significance level of the F-value being less than 0.05 indicates that the model parameters are statistically significant.

The table provides the coefficients of the independent variables, which indicate their impact on the dependent variable in the regression equation. The significance of these coefficients is determined by their corresponding p-values, where a value less than 0.05 indicates statistical significance.

In the regression model, the autocratic leadership variable demonstrates a negative impact on employee motivation, as indicated by its negative beta value (-0.103) and a significant p-value of 0.000. This suggests that the autocratic leadership style has a decreasing effect on employee motivation.

On the other hand, the variable for laissez-faire leadership, which allows employees to make decisions and find solutions independently, shows a positive effect on employee motivation. The positive Beta value (0.148) and a significant p-value of 0.01 indicate that laissez-faire leadership has a motivational impact on employees.

Similarly, democratic leadership, characterized by participatory decision-making and an equal contribution from group members, has a positive impact on employee motivation. The positive Beta value (0.207) and a significant p-value of 0.02 suggest that democratic leadership style positively influences employee motivation.

Based on these findings, all null hypotheses (H01, H02, H03, H04) are rejected as the independent variables have a significant effect on employee motivation.

The table below presents the outcomes of the hypotheses based on the analysis results:

Table 11: Hypothesis Results

HYPOTHESIS		**RESULT**
Hypothesis 1	H_1 = Leadership style has an effect on employee motivation in family-owned businesses.	SUPPORTED
Hypothesis 2	H_2 = Autocratic leadership has a negative effect on employee motivation in family-owned businesses.	SUPPORTED
Hypothesis 3	H_3 = Democratic leadership has a positive effect on employee motivation in family-owned businesses.	SUPPORTED
Hypothesis 4	H_4 = Laissez-Faire leadership has a positive effect on employee motivation in family-owned businesses.	SUPPORTED

4. DISCUSSION

The primary observation in the demographic characteristics of employees pertains to the prevalence of early male employees in family-owned businesses, overshadowing their female counterparts. Specifically, male employees constitute 72% of the total workforce, while female employees represent only 28%. This stark gender disparity implies a discernible dearth of emphasis on women's employment within the context of family-owned businesses. The educational attainment of the employees is predominantly at the undergraduate level, constituting 62% of the workforce.

Another noteworthy finding pertains to the remarkable level of longevity exhibited within family-owned businesses. The cumulative work experience of employees in family-owned businesses extended up to 19 years, showcasing a remarkable continuity of employment. Impressively, 78% of the workforce demonstrated unwavering dedication by continuing their professional journey within the family-owned businesses from their inception. This noteworthy characteristic distinguishes family-owned businesses from other business types, as they exhibit a distinctive spiral structure characterized by company-specific practices. This cohesion is driven by several factors, including favorable working conditions, product quality, competitiveness, and the successive generations' commitment to upholding shared values.

As exemplified in the study, family-owned businesses predominantly operate within sectors such as construction, energy, real estate, production, and distribution. This sectoral focus reflects the inherent inclination of family-owned businesses towards industries that align with their strengths and traditional expertise. These findings underscore the unique dynamics and enduring nature of family-owned businesses, revealing their distinct position within the broader business landscape.

The analysis of participant scores yielded noteworthy results, indicating that managers actively assumed a pivotal role in fostering collaborative teamwork among employees by cultivating a work environment characterized by cooperation and harmony. The participants' responses revealed a robust inclination towards avoiding work failures, signifying their motivation to approach tasks with diligence and precision. These findings underscore the significance of managerial involvement in engendering a culture of collaboration and diligence, thereby enhancing overall organizational effectiveness and productivity.

The analysis of leadership style scores revealed salient insights into participants' perceptions of their managers' effectiveness in promoting teamwork and overseeing workgroups. Managers were notably appraised for their adeptness in inspiring collaborative efforts and proficiently managing teams, evident from the judgments that garnered the highest average participation. Additionally, participants regarded their managers as exemplary leaders, attributing to them the requisite knowledge and acumen to steer the organization towards its business objectives while effectively organizing and guiding the employees in this pursuit. In the context of the laissez-faire leadership style, employees perceived a sense of autonomy, as they felt free to address their personal needs and believed that their managers consistently respected their emotions and ideas. This perception reflects an atmosphere of open communication and trusts within the organizational setting, which may contribute to employee satisfaction and engagement.

Consequently, participants were further prompted to assess their leaders' autocratic conduct. The statements eliciting the highest average responses offer valuable insights into the perspectives most strongly shared by employees. Notably, the findings unveiled that employees receive constructive feedback as an acknowledgment of their commendable performance, thereby affirming the leaders' commitment to nurturing growth and development. Additionally, the participants expressed that their leaders actively encourage them to confront challenges with a constructive and optimistic outlook, thereby promoting resilience and a proactive problem-solving approach. Furthermore, employees reported receiving recognition from their managers for exceptional performance, thereby fostering a culture of appreciation and reinforcing motivation among the workforce. These findings collectively underscore the critical role of leadership styles in shaping employees' perceptions and attitudes, highlighting the significance of effective leadership in fostering a positive and productive work environment.

Upon examining the regression findings of the study, which explicate the relationships between various concepts and their respective effects, it was observed that the autocratic leadership style exhibited a negative impact on employee motivation (Beta: -0.103). Autocratic leaders adopt a top-down approach, assuming full control over decision-making processes without regard for the opinions, ideas, and suggestions of employees. While this leadership style may offer advantages in facilitating swift resolutions and decisions in the short term, empirical evidence from the literature highlights its adverse effects on personnel. The autocratic leadership style engenders significant detrimental consequences when considered over the long term. It creates considerable pressure on the workforce and neglects the involvement of employees in decision-making processes, leading to diminished morale and motivation among employees. Consequently, these negative consequences often culminate in employee turnover and attrition.

Another significant regression finding reveals that the democratic leadership style exerts a positive influence on employee motivation (Beta: 0.207). This result aligns with the prevailing literature, which consistently demonstrates a favorable correlation between democratic leaders and heightened employee motivation. The study's findings underscore the potential benefits of adopting a participative leadership approach that involves employees in decision-making processes. Based on these findings, leaders are advised to consider the following approach: In scenarios where study or decision processes permit, maximizing employee participation is crucial. By doing so, leaders can benefit from diverse perspectives and foster a sense of ownership and engagement among employees. Additionally, democratic leaders can demonstrate agility in making prompt decisions when necessary, aligning with project timelines or the urgency of the decision process. Therefore, the recommendation to leaders is two-fold: Firstly, for endeavors with a longer timeframe, ensuring extensive employee involvement and reaching collective decisions is paramount. This collaborative approach bolsters employee motivation and commitment. Secondly, in instances where swift decision-making is imperative, leaders may directly assume decision-making responsibilities to expedite the process efficiently.

The regression analysis yielded a calculated regression coefficient of 0.148 for the laissez-faire leadership style. Within the laissez-faire model, extant literature indicates that this leadership approach generally elicits a less positive or neutral effect compared to the democratic leadership style. In this model, leaders adopt a hands-off approach, granting employees complete freedom and autonomy. They exercise minimal interaction and maintain limited contact, placing the onus of responsibility and effort on subordinates, intervening only when explicitly questioned by them. The laissez-faire leadership style does possess certain positive aspects. Employees are allowed to develop their creativity and proactively contribute their unique perspectives and solutions to the decision-making process. Consequently, this autonomy fosters an environment conducive to employee empowerment and individual growth. However, it is essential to acknowledge the potential drawbacks associated with the laissez-faire approach. Employees' insufficient knowledge and experience may hinder the decision-making process and task completion, as they may lack the necessary guidance and direction from leadership. This can result in inefficiencies and less optimal outcomes, particularly in complex or critical situations.

In conclusion, the study's findings underscore the importance of adopting effective leadership styles that consider employee motivation as a key determinant of organizational success. Leaders are encouraged to embrace democratic leadership, fostering a collaborative and inclusive work environment that encourages active employee engagement. Moreover, when implementing other leadership styles, careful consideration of the potential consequences and their situational appropriateness is paramount. By optimizing leadership approaches, organizations can bolster employee motivation, job satisfaction, and overall performance, thereby advancing their competitive edge in the dynamic and complex business landscape.

4.1. Assumptions and Limitations of the Research

One of the research assumptions in this study is that the surveyed businesses have correctly understood the survey questions and provided accurate information based on those questions. Additionally, it is assumed that the scales used in the study are appropriate for capturing the intended constructs and align with the purpose of the research.

Like all studies, this research has certain limitations and boundaries. The primary limitation is related to obtaining a sample that can yield the most optimal outcomes. Despite not requesting specific numerical information about the family or business, participants displayed caution in sharing any details due to concerns regarding the privacy of their family or business information. Moreover, some employees exhibited hesitancy in responding to questions about the survey leader, despite assurances of confidentiality. Consequently, bureaucratic hurdles and reluctance among family-owned businesses to participate in surveys represent significant limitations of this research.

Another limitation of the study is associated with the scales employed, which consist of assessment items designed to measure individuals' perceptions. As a result, respondents may be inclined to select responses that are more socially desirable or closer to the ideal, rather than accurately reflecting their actual experiences. This introduces a social desirability bias, which is another limitation of the study. Furthermore, in the context of business settings, employees may be reluctant to participate in surveys, which can affect the data collection process.

Furthermore, the limited existing literature on Turkish family-owned businesses presents another notable limitation. The available studies examining Turkish family-owned businesses and their leadership and motivation concepts are scarce within the local literature, which restricts the depth of knowledge in this specific context.

4.2. Recommendations for Future Studies

Based on the conclusions drawn from this study, it is recommended that family-owned businesses adopt more participatory and empowering leadership styles, such as democratic or laissez-faire leadership, to enhance employee motivation. This can be achieved by involving employees in decision-making processes, providing them with greater independence, and promoting teamwork. It is advised that leaders avoid utilizing autocratic leadership styles, as they can have a detrimental effect on employee motivation. Implementing these recommendations can potentially improve employee motivation within family-owned businesses, leading to enhanced business outcomes.

In providing recommendations for future studies, it is essential to consider that the present research only examined the impact of leadership styles on employee motivation within family-owned businesses. However, as evident from the literature review and industry experience, various other factors influence employee performance. Examples of such factors include demographic variables (e.g., gender, age, education), employee commitment, and levels of burnout experienced by employees. Incorporating these variables into the research model could enhance our understanding of the effects of leadership styles on employee performance.

By including these additional variables in the research model, a more comprehensive understanding of the complex interplay between leadership styles and employee performance within family-owned businesses can be achieved. This would enable researchers to gain deeper insights into the multifaceted factors that contribute to employee motivation and performance outcomes. Furthermore, it would provide valuable practical implications for family-owned business leaders, offering guidance on how to effectively enhance employee motivation and performance through strategic leadership approaches.

Another suggestion for future research is to deepen the investigation by exploring different leadership styles within family-owned businesses. For instance, the relationships between employee motivation and various leadership styles, such as transformational leadership, charismatic leadership, strategic leadership, and servant leadership, could be examined. Each of these leadership styles brings unique attributes and approaches to the leadership process, which may influence employee motivation differently.

Additionally, enriching the research by incorporating various sectors beyond the construction industry can be valuable. Currently, the study appears to be construction-focused. By including diverse service sectors such as retail, food, tourism, and transportation, among others, the scope of the research can be expanded. This broadening of the research context would enable a more comprehensive exploration of the impact of leadership styles on employee motivation in different organizational settings.

By incorporating a diverse range of leadership styles and industry sectors, the study can provide a much broader perspective on the effects of leadership styles on employee motivation within family-owned businesses. Such findings would offer valuable insights for practitioners in family-owned businesses, assisting them in making informed decisions regarding their leadership approaches to optimize employee motivation and ultimately enhance organizational performance.

CONCLUSION

Family-owned businesses occupy a substantial and noteworthy status in the economies of nations, serving as essential contributors to the promotion of sustainable economic growth, facilitation of social progress, and provision of significant employment opportunities. The motivation of employees is crucial for the long-term growth and success of these businesses. Employee motivation directly influences the organization's ability to accomplish its goals and objectives. Furthermore, the leadership style adopted by leaders has a profound impact on employee motivation.

Therefore, this research aims to explore the influence of leadership styles on employee motivation in family-owned businesses, offering fresh insights and supporting theoretical discussions with empirical evidence obtained through survey data. The study specifically focuses on family-owned businesses in Turkey and seeks to contribute valuable knowledge for future research in this area. The research will be conducted within the geographical boundaries of Istanbul. In the context of our country, within family-owned businesses, the construction sector holds a significant position on an industry-specific basis. Due to the demand for high-quality work to be executed within a limited budget and a short timeframe, there is a pronounced prevalence of rapid personnel turnover. At this juncture, the behaviors exhibited by leaders assume a pivotal role in influencing personnel circulation. Thus, the present study primarily focuses on the selection of companies operating within the construction sector.

Studies in the literature have already demonstrated the significant impact of leadership styles on employee motivation. The contribution of this study to the literature lies in its investigation of the relationship between leadership styles and employee motivation specifically within the context of family-owned businesses. While numerous studies have examined the influence of leadership styles on employee motivation, the exploration of these two variables within the context of family-owned businesses is notably limited in the existing literature. Consequently, this study is anticipated to provide valuable insights and contribute to the existing body of knowledge in this field, by shedding light on the dynamics of leadership styles and employee motivation within the unique setting of family-owned businesses.

In summary, the findings of this study, based on the analysis of leadership styles and employee motivation scales, indicate that leadership styles indeed exert a significant influence on employee motivation in family-owned businesses. Autocratic leadership, characterized by centralized decision-making, hurts motivation. Conversely, laissez-faire leadership, granting employees autonomy in decision-making, positively affects motivation. Additionally, democratic leadership, which involves equal participation of group members in decision-making, also has a positive impact on employee motivation.

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APPENDICES

Appendix 1: Informed Consent Form

BİLGİLENDİRİLMİŞ ONAM FORMU

Değerli Katılımcı,

Bu çalışma, Dr. Öğretim Üyesi Aylin GÖZEN danışmanlığında İstanbul Ticaret Üniversitesi, Sosyal Bilimler Enstitüsü, İşletme (İngilizce) Yüksek Lisans programı öğrencisi Faruk ÜNLÜ tarafından yürütülen "The Effect of Leadership Styles on Employee Motivation: A Research on Family-Owned Businesses –The Case of Istanbul" isimli bir makale çalışmasıdır.

Çalışmanın amacı, aile işletmelerinde liderlik tarzları ile çalışan motivasyonu arasındaki ilişkinin incelenmesidir. Anketin ilk bölümü demografik bilgilerinizi tespit etmeye yönelik sorulardan, ikinci bölüm çalışma motivasyonunuzu ölçmeye yönelik sorulardan, son bölüm ise yöneticinizin liderlik özelliklerini belirlemeye yönelik anket sorularından oluşmaktadır. Aile işletmeleri ile ilgili sağlıklı bir değerlendirmenin yapılabilmesi için tüm soruların dikkatlice okunarak eksiksiz olarak cevaplandırılması büyük önem taşımaktadır.

Araştırmaya katılımınız tamamen gönüllülük esasına dayanmaktadır. Araştırma sırasında sizden alınan bilgiler grup halinde değerlendirileceğinden, sizden kimlik belirleyici bilgiler istenmeyecektir. Cevaplarınız gizli tutulacak ve sadece araştırmacı tarafından bilimsel çalışmalarda kullanılacaktır. Bu anlamda, araştırma sonuçlarından sağlıklı bilgiler edinilebilmesi için soruların samimi bir şekilde doldurulması ve soruların boş bırakılmaması oldukça önemlidir. Bu çalışma genel olarak kişisel rahatsızlık teşkil edecek soruları içermemektedir. Ancak araştırma sırasında herhangi bir nedenden dolayı rahatsızlık hissederseniz, katılımınızı sonlandırabilirsiniz. Çalışma sırasında sizden istenilen, çalışmada yer alan maddeleri ve/veya soruları boş bırakmamaya özen göstererek samimi bir şekilde doldurmanızdır. Çalışmaya katılım yaklaşık 15 dakika sürecektir. Çalışma hakkında daha fazla bilgi almak için Faruk ÜNLÜ (E posta: unlufaruk93@gmail.com) ulaşabilirsiniz. Katılımınız için şimdiden teşekkür ederiz.

Bu çalışmaya tamamen gönüllü olarak katılıyorum ve istediğim zaman katılımımı sonlandırabileceğimi biliyorum. Verdiğim bilgilerin bilimsel amaçlı kullanımını kabul ediyorum.

Evet ( )   Hayır ( )

Araştırmacının Adı Soyadı

Faruk ÜNLÜ

İSTANBUL TİCARET ÜNİVERSİTESİ
ETİK KURUL ONAYI ALMIŞTIR
Kurul Tarihi: 30.05.2023
Kurul Karar No: 06-5

Appendix 2: Questionnaire

BİRİNCİ BÖLÜM

DEMOGRAFİK BİLGİLER

1. **Yaş:**
   [ ] 20-29 [ ] 30-39 [ ] 40-49 [ ]50-59 [ ] 60 ve Üstü

2. **Cinsiyet:**
   [ ] Kadın [ ] Erkek

3. **Eğitim Seviyesi:**
   [ ] Lise [ ] Ön Lisans [ ] Lisansüstü [ ] Diğer

4. **Toplam İş Deneyimi:**
   [ ] 0-9 Yıl [ ] 10-19 Yıl [ ] 20-29 Yıl [ ]30 Yıl ve Üstü

5. **Aile Şirketindeki Toplam İş Deneyimi:**
   [ ] 0-5 Yıl [ ] 6-10 Yıl [ ] 11-15 Yıl [ ]16 Yıl ve Üstü

6. **Aile Şirketindeki Pozisyonunuz:**
   [ ] Çalışan [ ] Alt Düzey Yönetici
   [ ] Orta Düzey Yönetici [ ] Üst Düzey Yönetici

7. **Şirketinizin Sektörü:**
   [ ] Tesis Yönetim Hizmetleri
   [ ] İnşaat, Enerji veya Gayrimenkul
   [ ] Otomotiv
   [ ] Teknoloji
   [ ] Finansal Hizmetler
   [ ] Sağlık
   [ ] Turizm, Medya, Sanat ve Eğlence
   [ ] Madencilik ve Metal İşleme
   [ ] Biyoteknoloji / Tıbbi / İlaç
   [ ] Üretim ve Dağıtım
   [ ] Diğer

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İKİNCİ BÖLÜM

ÇALIŞMA MOTİVASYONU ANKETİ

1-Hiç, 2-Çok Az, 3-Biraz, 4-Orta Derecede, 5-Kuvvetli, 6-Çok Kuvvetli, 7-Kesinlikle seçeneklerinden birini tik (X) koyarak cevaplandırınız.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1. Çünkü bu işten çok zevk alıyorum							
2. Çünkü işimi yaparken eğleniyorum							
3. Bu işin bana getirdiği keyifli anlar için müteşekkirim							
4. Bu işi hayatımdaki hedeflerime ulaşmamı sağladığı için seçtim							
5. Çünkü bu iş kariyer planlarımı yerine getiriyor							
6. Çünkü bu iş benim kişisel değerlerime uyuyor							
7. Çünkü işimde en iyi olmam gerektiği için "kazanan" olmalıyım.							
8. Çünkü işim benim hayatım ve başarısız olmak istemiyorum							
9. Çünkü itibarım buna bağlı							
10. Çünkü bu iş bana belirli bir yaşam standardı sağlıyor							
11. Çünkü bu iş çok para kazanmamı sağlıyor							
12. Bu işi sabit maaş için yapıyorum							

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ÜÇÜNCÜ BÖLÜM

LİDERLİK ÖZELLİKLERİ ANKETİ

1-Kesinlikle Katılmıyorum, 2-Katılmıyorum, 3-Karasızım, 4-Katılıyorum, 5-Kesinlikle Katılıyorum, seçeneklerinden birini tik (X) koyarak cevaplandırınız.	**1**	**2**	**3**	**4**	**5**
1. Yöneticim her zaman birim/departman için yeni fırsatlar aramaktadır					
2. Yöneticim, birimin/departmanın nereye gittiği konusunda net bir bilgiye ve anlayışa sahiptir					
3. Yöneticimin geleceğe yönelik planlarından ilham alıyorum					
4. Yöneticim anlatmak yerine hareket ederek liderlik eder					
5. Yöneticim örnek teşkil ederek liderlik eder					
6. Yöneticim takip edecek uygun bir model teşkil eder					
7. Yöneticim her çalışan arasında iş birliğini teşvik eder					
8. Yöneticim ekip çalışmasını teşvik eder					
9. Yöneticim, grubu aynı amaca ulaşmak için birlikte çalışmaya teşvik eder					
10. Yöneticim, çalışanları arasında bir takım ruhu tutumu geliştirir.					
11. Yöneticimden benden çok şey beklendiğini hissediyorum					
12. Yöneticim her zaman daha çok çalışmamız gerektiği konusunda ısrar eder					
13. Yöneticim her zaman en iyi performansa ulaşmak için ısrar eder					
14. Yöneticim duygularımı dikkate almadan hareket eder					
15. Yöneticim kişisel duygularıma saygı duyar					
16. Kişisel ihtiyaçlarım olduğunda yöneticim düşünceli davranır					
17. Yöneticim benim kişisel duygularımı dikkate almadan hareket eder					
18. Yöneticim bana zor görünen işleri çok daha kolay hale getirir					

1-Kesinlikle Katılmıyorum, 2-Katılmıyorum, 3-Karasızım, 4-Katılıyorum, 5-Kesinlikle Katılıyorum, seçeneklerinden birini tik (X) koyarak cevaplandırınız.	**1**	**2**	**3**	**4**	**5**
19. Yöneticimin, daha önce hiç sorgulamadığım bazı fikirlerimi yeniden düşünmeye zorlayan fikirleri var					
20. Yöneticim her soruna daha iyi tarafından bakmam için beni cesaretlendirir					
21. İyi performans gösterdiğimde yöneticim bana her zaman olumlu geribildirim verir					
22. Çok iyi performans gösterdiğimde yöneticimden özel bir takdir görürüm					
23. Ortalama işimin üzerinde performans gösterdiğimde yöneticimden takdir alırım					
24. Olağanüstü bir iş yaptığımda yöneticimden kişisel övgüler alırım					
25. Yöneticim iyi performansımı nadiren kabul eder					

İSTANBUL TİCARET ÜNİVERSİTESİ
ETİK KURUL ONAYI ALMIŞTIR
Kurul Tarihi: 30.05.2023
Kurul Karar No: 06-5

Appendix 3: Ethics Committee Approval

Tarih:08/06/2023 14:39
Sayı: E-65836846-044-288935
REKTÖRLÜK

288935

İSTANBUL TİCARET ÜNİVERSİTESİ

T.C.
İSTANBUL TİCARET ÜNİVERSİTESİ REKTÖRLÜĞÜ

Sayı : E-65836846-044-288935 8.06.2023
Konu : Etik Onayı

Sayın Faruk ÜNLÜ

İlgi : 08.05.2023 tarihli dilekçeniz.

İlgi yazınız ile "The Effect of Leadership Styles on Employee Motivation: A Research on Family-Owned Businesses – The Case Study of Istanbul" isimli çalışmanın anket sorularına Etik Kurul onayı talep edilmektedir.

Adı geçen ve ekte yer alan anket soruları, Üniversitemiz Etik Kurulunca incelenerek etik tanım, değer ve ilkelere aykırı bir düzenleme tespit edilmediği, önerilen anket sorularının etik kurallara uygun olduğu ve etik onayının verildiği ifade edilmiştir.

Konuya ilişkin bilgilerinizi rica ederim.

Prof. Dr. Ömer ÇAHA
Rektör Yardımcısı V.

Ek: Etik Onaylı Anket Soruları

Bu belge güvenli elektronik imza ile imzalanmıştır.

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