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Why and When Employees of Family-Owned Business Demonstrates Unethical Behaviour?

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Abstract

The objective of this empirical study is to explain how Group affective-tone and collective shame are related to unethical behaviour and under what boundary conditions. We use theories of social identity and affective tone for understanding family business employees. The target population was Pakistani family-Owned Businesses, where most of the family businesses are part of a gig economy. We were able to manage a suitable sample size of 441 using survey methodology The results showed that collective-shame mediates the relationship between negative-group-affective-tone and unethical behaviour under two conditions i.e. Shame proneness and organizational Identity for the family firm. The research has implications for the family firms operating in Gig economies.

Keywords: Shame-Proneness; Unethical behavior; Negative Group affective-tone and Collective-shame; Family-Owned Enterprise;

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Introduction

Unethical behaviours have infected almost every corner of society including sports, government, education, the corporate sectors, and even the family firms (Tang & Chiu, 2003; Vazquez, 2018; Zolotoy et. Al., 2020). The problem is severe in undocumented, gig-economies (Rashid & Ratten, 2020). In terms of employment, the firms in the gig economy rely on temporary job positions/short-term commitments, For instance, an MBA may be driving a cab or prefer to join as a factory worker due to high unemployment in a gig economy (Duggan, Sherman, Carbery & McDonnell, 2020; Daniels, & Robinson, 2019). Despite the increased research about the family business in any gig-economy, much remains to be investigated about how and why family business employees make unethical choices at the workplace at undocumented economies in the digital world (Berrone, Cruz, & Gomez-Mejia, 2012; Saleem et al, 2020). Up to best of our knowledge, scholars in the integrated areas of the family business and organizational behaviour have overlooked studying negative emotions at the workplace about family enterprises (see .e.g Kish-Gephart et al., 2010). Previous Studies emphasised that most of the research related to emotions is limited to positive emotions of employees in a multinational organisation (see e.g. Aycan et al, 2000; Combs et al, 2018); in such global firms employees have a professional working environment, proper human resource departments are in place, and pay is usually linked with performance to retain competent employees. Nevertheless, such human resource practices are not expected for family firms operating in undocumented economies like Pakistan with a Seth culture [1] (Afghan, 2011; Rashid & Ratten, 2020). So, in general, the studies are scarce about ethical transgressions; like lying, cheating, deception, bullying, harassment, and other kinds of such interpersonal abuses (Dasborough, Hannah, & Zhu, 2020) and for the family firms in specific, such studies in undocumented economies are missing (Combs et al, 2018; Vazquez, 2018). Moreover, negative emotions such as shame proneness and collective-shame are increasingly affecting organisational life in the family enterprises (Daniels, & Robinson, 2019; Murphy & Kiffin-Petersen, 2017; Tang & Chiu, 2003; Wolf, et al., 2010). Therefore to understand employee's unethical behaviours in family firms, it is crucial to investigate the negative emotions of family business employees (Zolotoy, O'Sullivan, Seo, & Veeraraghavan, 2020) because the family firms in emerging markets are more prone to such unreported transgressions. So lately, many scholars have recommended studying the employee's emotions of family firms, because such innocent but the competent underemployed workforce usually work under unusual great depression, faces the child abuse, earns low wages as compared with the market, faces unreported workplace bullying; and firing from the temporary jobs is great threat (Combs et al, 2018; Saleem et al., 2020; Sindhu et al, 2021).

Nowadays unprofessional and unethical values are inescapable in corporate life due to increased competition (Tang & Chiu, 2003). Incompetent and jealous employees may be more involved in organisational politics in the family firms; this usually causes employees to end up in choosing for the unethical behaviour (Kaptein, 2008; Tang, & Chiu, 2003). Even though developed countries have

[1] In local Urdu language, a Seth is a family business owner with a centralized control; he | may or may not care about employee's well being as per industrial standards or laws of government

healthy social norms due to effecting control systems and effective role of law-enforcing agencies, nonetheless the Western family firms do face moral transgressions (see, e.g. Gómez-Mejía et al., 2007; Vazquez, 2018; Zellweger et al, 2012); and leaders and managers have failed to explain why unethical transgressions are growing despite healthy standards and rules. This seems also true for family firms of developing economies (Afghan, 2011; Saleem, Khalid & Nadeem 2019). Resultantly failure of the start-up by established family firms; financial and moral corruption are frequent in the gig- economies (Hameed, et al., 2013; Saleem, Siddique & Ahmed 2020; Shahnawaz, & Malik, 2017). For instance, the recent scandal of Hussain Lawai, the employee of Summit bank, who was involved in the money laundering of billions of rupees (The news, 2018) is one of the reported scandals of corporate life; but most of the corporate scandals of the small and medium firms remain under the carpet as political figures, bureaucrats, and landlords are on the back (Afghan, 2011) and the top management team may have no option, but to promote inherited family firm values without taking care of family employees in emerging market's family firms to promote family business interests (Berrone, Cruz, & Gomez-Mejia, 2012; Saleem et al., 2020). Given this, we are interested in studying the causes of unethical behaviour among family firm employees (Tang & Chiu, 2003); and under what conditions family employees behave unethically?

The purpose of this research is to explain the relationship among emotions and unethical conducts an undocumented economy among family firm employees to address the call for the further research **(**see, e.g. Ashkanasy, Humphrey, & Huy, 2017; Rashid & Ratten, 2020; Murphy & Kiffin-Petersen, 2017**)**. Moreover, in an emerging economy like Pakistan, only a few research studies about emotions of family business employees have caught the attention of academicians (see, e.g. Afghan, 2011; Berrone, Cruz, & Gomez-Mejia, 2012; Shahnawaz & Malik, 2017; Saleem et al, 2019) to address the empirical and knowledge gaps (Combs, et al., 2018; Sageder, Mitter, & Feldbauer-Durstmüller, 2018). Moreover, the newness of our research findings is the negative role of the social identity of family employees, which is contrary to older research (see e.g. Hameed et al., 2013; Mael and Ashforth, 1992). Thus this study is essential for family firms if they want to reduce unethical behaviours among family firm's employees while paying the low wages in a gig economy (Saleem et al, 2020, 2023; Tang & Chiu, 2003). Given the significance and research, this study responds to an important research question, i.e. how does group affective tone affects collective shame conditionally to promote unethical behaviour among family firm employees (Daniels & Robinson, 2019; Mayer et al., 2012; Tsai, et al., 2012). The study has theoretical and empirical contributions. Theoretically, the conceptual model has linked social identity and affective tone of the group with negative emotions. Empirically, we brought unique evidence from an undocumented economy.

The rest of the study presents the conceptual model based on the theory of affective tone for family firms; we have then shown results, discussion and implications for personal managers of the family enterprises.

Literature Review

Humanistic behaviour gives an inner push to self-motivated employees to include discretionary acts, such as helping, caring, and goodwill to others by showing citizenship, while the employee opting for supererogatory behaviours move beyond humanistic behaviours (Zolotoy et al., 2020). They are usually involved in significant physical, emotional, or financial sacrifice for the colleagues. So in line with a theoretical explanation about shame, social identity and unethical behaviour (Murphy & Kiffin-Petersen, 2017), we are distinguishing ethical and unethical behaviours of the employees within the group to integrate the research on negative emotions, and unethical behaviours in the area of the family business for an undocumented economy (Dasborough, Hannah and Zhu, 2020; Sageder et al., 2018; Kumar et al., 2023). George (1990, p. 108) coined the term group affective-tone and referred to it as "*consistent or homogeneous affective reactions within a group*". If the consistency within the group like family firms is missing, then there might be an absence of affective-tone in the family firms employees (Bandura, 1991). George and King (2007) argue that a high similarity in the negative affective-tone of individual workgroup members can manifest a high level of similarity in experiencing affect within the workgroup and family. On the one hand, Piff, Martinez, and Keltner (2012) claim that moral emotions, "solve problems important to social relationships in the context of ongoing interactions"; and emotions like shame-proneness drive to employee's unethical behaviour (Dasborough, Hannah, & Zhu, 2020; Wolf, et al., 2010).

Ethical transgressions of employees are spreading like a contagious disease at the workplace (Murphy & Kiffin-Petersen, 2017) as emotions usually serve as a moral barometer (Dasborough, Hannah, & Zhu, 2020). Social identity also plays a significant role to create collective shame within an organization (Mael & Ashforth 1992; Hameed, 2013Murphy, & Kiffin-Petersen, 2017; Wolf, et al., 2010)) including the family firms (Combs, et al., 2018). The perspective of emotions covers not only human behaviour at an individual level for an unprivileged class of worker working with family firms, but also as a proximal source of learning and social norms at a group-level (Ashkanasy, Humphrey, & Huy, 2017; Bandura, 1991). Nevertheless, researchers are curious to explain the functions of emotions among teams as a group-level construct to address the knowledge gap (Dasborough, Hannah, & Zhu, 2020). Since the employee is the basic unit of analysis at any organisation including family enterprises, and employee's emotions act as a driving force for his/her behaviours; therefore, the emotions of the employee, such as shame, can be one of the essential prerequisites to ensure (un)ethical behaviours of a group of workers. Kaptein (2008) argues that ethical behaviour adheres to moral guidelines and norms, while unethical behaviour does not adhere to intrinsic moral guidelines and extrinsic group norms. Jones (1991) identifies unethical behaviour as morally unacceptable to a substantial part of the community. Unethical behaviour is also related to violations of explicit and official standards and informal and implicit rules and norms. For instance, in an organisational context, Jones (1991) described ethical behaviour as rules and norms established by organisations which determine right or wrong conduct of the employees. However, when the employees violate such rules due to some conditions than they should have justification for unethical conducts (Mayer 2012; Tang & Chiu, 2003): The examples of misconducts may include usage of company's services for the private use; doing the private business during working hours; pilfers company materials; takes extra breaks during working hours; frequently passes blames of the personal errors to the colleagues; claims the credit for someone else's work done; gives gifts in exchange for preferential treatment; authorizes a violate company rules to the subordinates; and divulges confidential information of the company.

Hypotheses Development

The feeling of shame is considered as one of the primary and negative emotions (Brown & Cehajic, 2008) and the primary emotions are genetically inherited and can also instruct and control the actions of an individual in response to an event (Dasborough, Hannah, & Zhu, 2020). The emotion of shame usually emerges and develops at a very early period of childhood (Piff, Martinez, & Keltner, 2012) as a basic need of a human being to belong and interact with other humans to create a social bond (Tangney et al., 2004). Sometimes, in the case of social disapproval or rejection, the need for interaction and social bonding may lead to some unpleasant emotions like shame; which later may be converted to shame-proneness and guilt-proneness (Wolf, et 2010) to cause unethical behaviour not only at the individual level but collective-shame in an organizational is also developed among more than two employees as a group (Daniels, & Robinson, 2019; George & King, 2007; Tsai, Chi, Grandey, & Fung, 2012).

Preceding research has mostly talked about positive- Group affective tone (GAT) group affective tone for the multinational companies; nevertheless, the family firms employees usually feel negative GAT in a local Seth factory (Seth is a local terminology to respect family business owners in Pakistan) and family firms (Afghan, 2011; Rashid & Ratten, 2020; Saleem et al., 2019). Once the employees act like group then they set a collective tone termed as group affective tone. George (1990) identified that there are two types of (GAT). GAT is influenced by positive or negative traits of a personality within groups. For instance, amiableness and magnanimousness are some of the positive personality traits which may set positive GAT, while enviousness and obnoxiousness are the negative personality traits which may set a negative tone within a group of employees (George & King, 2007). Once such traits already set the group tone, then such tone usually has an impact on individual and group behaviours outcomes (Murphy & Kiffin-Petersen, 2017). Moreover, like-minded group members within family firms may also tend to share negative emotions due to common social influences i.e. family members in the top management team this sets a cohesive tone among group members to cause a collective-shame as a group trait. However, family members usually cannot share such negative experiences and emotions with family business owners (Chiang, Chen, Liu, Akutsu, & Wang, Z. 2020; Tsai et al, 2012); therefore the positive GAT results in creativity, team performance and citizenship behaviours, while the negative GAT usually results in negative employees behaviours like the shame or the guilt-proneness (Daniels, & Robinson, 2019; Tsai et al, 2012; Wolf, 2010). Similarly, when a group of workers will demonstrate collective shame due to peer pressure then we can postulate the following hypothesis.

H1: Negative group affective-tone impacts collective-shame for family business employees.

Shame is a toxic feeling among employees and individuals with high shame-proneness have a greater tendency to be affected by shame-inducing incidents (Tangney et al., 2007). Murphy and Kiffin-Petersen (2017) indicate that individuals who have a high capacity for negative emotions are more likely to perceive the negative side of the work-life and surroundings: They may have a high tendency for anger and hostility and to engage in wrongdoings (Dasborough, Hannah, & Zhu, 2020); such transgressions are probably due to negative affective group tone in family firms, which is usually linked to the collective-shame to indirectly cause unethical behaviours, like the creation of jittery and afraid employee-feelings during the group meetings with family owners (Dasborough, Hannah, & Zhu, 2020; Mayer 2012). Moreover, the group of shame-prone individuals may blame innocent employees for their actions to hide or minimise the painful feeling of shame and justify unethical behaviour among like-minded employees to set a collective negative tone. Lickel et al. (2005) also find that a group of shame-prone employees have a greater inclination to engage in maladaptive activities (Piff et al., 2012). Thus, such an organizational group of shame-prone individuals may have a higher capacity to experience shame incidents (Daniels, & Robinson, 2019Wolf, et al., 2010), which may directly or indirectly lead to unethical behaviour in the organisation (Dasborough, Hannah, & Zhu, 2020).

Tangney et al. (2007) find that collective shame is likely to occur in the presence of colleagues or in front of those individuals with whom an individual and a group of employees have an affective relation; while *Shame-proneness is the personality traits of an employee that may reflect individual's differences in cognitive, affective, and behavioural responses to personal transgressions* (Wolf, et 2010;p:338) but at the same time this trait can be generated among like-minded employees. Ashamed like-minded colleagues also feel a sense of isolation from other groups and feel that other empowered groups are angry at them, which may result in negative behaviours of hiding themselves, and denying their wrongdoings and blaming on the non-family group of employees (Combs, et al., 2018). However, at the same time, ethical behaviours are equally possible as a result of collective shame within the group including family firms. For instance, if a senior manager in a family firm, who is the first cousin (An HR Manager) of CEO; he prepared a plagiarised human resource policy and a non-family group of employees may raise the concerns and report to top management (a group of family members) including his first cousin (CEO); Resultantly, the HR Manager (maybe a family member) copied the report of another firm may feel ashamed and maybe stopped from doing unethical behaviour. However, if shame-proneness is part of the norms of such a family enterprise, the results may cost the loss of a job to non-family employees (Wolf, et al., 2010). So we postulated the following hypothesis.

H2: Collective shame positively impacts unethical behaviour for family business employees.

Collective Shame as a Mediator

According to George (1990), the concept of group affective tone indicates that members within a workgroup may experience the same level of affect (Tsai, et al., 2012). For instance, the family-firm employees, may play politics and make non-family employees work for what is not being paid; they may be safeguarded for such acts by the top management who are usually relative, siblings or part of the extended family network. So a negative affective tone is usually set within the family firms (Combs et al, 2018; Saleem et al., 2019) to harm the employee who is not in the blood relation with family enterprises. Indeed, some researchers have hypothesised that there is enough high affect state of individuals; this can be aggregated at the group level and can result in harmful group behaviour (Brown, & Cehajic, 2008) even for family firms. Piff et al. (2012) explain that individuals sometimes associate themselves with with a group of like-minded workers. So, they may experience shame when their group members are involved in immoral acts and vice versa. Barsade (2002) postulates that groups are exposed to emotional contagion processes. Therefore, it is essential to consider the concept of collective shame which can be experienced by non-family employees due to empowered family-related employees of the family firms; and this may cause unethical behaviour. So, Brown and Cehajic (2008) proposed and tested the potential mediating effect of collective shame on reparation behaviours and actions at the group level. According to Piff et al. (2012), in the presence of collective shame, group members can perceive themselves as a failure and flawed, which may lead to maladaptive behaviours. Dasborough, Hannah and Zhu, (2020) also linked moral emotion like shame and ethical behaviours in the team's setting. They claim that team norms if comprise of immoral emotions can set an affective tone, which usually causes collective shame among employees (Daniels, & Robinson, 2019), and a group of employees may start behaving unethically. For instance, based on a customer's negative feedback, if the employees of the marketing department collectively feel that a product needs to offer unique features and quality. Then this means that the group affective-tone of the marketing department has caused a group of marketers to demonstrate collective shame due to existing low-quality product. Now the employees should demonstrate (un)ethical behaviour indirectly (Murphy & Kiffin-Petersen, 2017; Piff et al., 2012; Tsai, et al., 2012). Therefore, we pulsated the following hypothesis:

H3. Collective-Shame mediates the relationship between the negative affective-tone of a group and unethical behaviour of family business employees.

Shame-Proneness and Social Identity as Moderators

The concept of social identity is "*part of the individual's self-concept, which derives from their knowledge of their membership of a social group*" (Tajfel, 2010, p. 62). Hameed et al. (2013) argue that the term social identity means the extent to which individuals associate themselves with a specific family firm and have an emotional attachment to such firms. Some researchers report that social identity strengthens the linkage between group norms and individual's behaviour (Mael & Ashforth 1992; Hameed et al., 2013). Scholars also postulate that collective-shame of a group involves being exposed as incompetent and other groups in the firm feel that the particular group is weaker and even disgusting as most of the group members are shame-prone and are engaged in frequently passing of blames to the colleagues; claims the credit for someone else's work done; gives gifts in exchange for preferential treatment. Therefore, a robust social identity of a group (family vs non-family related employees) with a high composition of shame-prone individuals the group may experience higher levels of collective shame, this is usual conditions when shameful feelings are not resolved to cause an inverse effect on (un)ethical behaviour (Murphy & Kiffin-Petersen, 2017). For instance, software companies of siblings may use an internal tracking system to improve the productivity of programmers using a dashboard system visible to all employees in which family employees can either encourage or shame each other by ranking the profile of a colleague. However, the social identity with family firms may strengthen the positive relationship between affective tone of a group and collective shame (Mael & Ashforth 1992; Tajfel, 2010);

but, a minor biasness of CEO towards relatives working in this family-owned software-house may create fear among the non-family member employees, which may cause an inverse effect on this proven positive relationship. Therefore, family social identities at the workplace are likely to negatively influence the strength of the relationship between group affective tone (Tsai, et al., 2012) and collective shame which intern is related to the immoral behaviour of the family firm's employees (Tajfel, 2010; Zellweger et al., 2012). We should note that usually organizational or social identity plays a positive role, however, in this case, we are assuming that vice-versa as an employee works in a family-owned enterprise. The following can be hypothesised from this discussion:

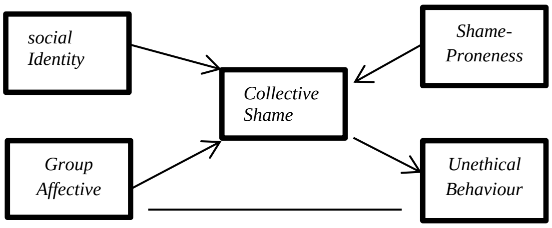
H4. The social identity of an employee with family business negatively moderates the relationship between the affective tone of a group and collective-shame in such a way that the effect of group-affective-tone on their collective-Shame should negatively strengthen employees with a higher family business identity.

Patock-Peckham et al. (2018) find that shame-prone individuals are more likely to blame others; because it suppresses their painful feeling of shame; this case could be more true for the family members who are working in the family enterprise and facing transgression (Zellweger et al., 2012; Saleem Siddique & Ahmed 2020). In other words, shame-prone employees feel a significant amount of regret; they do not only feel small, angry with themselves but also believe others have the same feeling about them. So a collective negative tone among family firm employees is causing collective shame, which is a reason for group-level unethical behaviour. Group of shame-prone family employees generally lacks empathy, that is why, shame-prone individuals are more inclined towards adverse outcomes as part of the organisational culture (Farooq et al., 2017; Kumar et al., 2023). For instance, a study shows that a group of shame-prone individuals reported having blushed, higher distress levels, and feeling inferior (Bandura, 1991); this feeling may motivate them to do anything unethical to save their face (Piff, Martinez, & Keltner, 2012) for the sake of family firm's image and reputation Sageder et al., 2018). Studies have also argued that shame-prone individuals move between up and down dimensions of anger and shame (Ashkanasy et al., 2017); and they are more likely to face transgressions (Tangney et al., 2007). Brown and Cehajic (2008) and Barsade (2002) state misdeeds may be attributed to the whole group in an organisation. Besides, they also suggest that the sentiment of shame can be a collective phenomenon and named it a collective shame; they define collective shame as being publicly exposed as incompetent and being disapproved as a group by others. Lately, Murphy and Kiffin-Petersen (2017) and Vazquez (2018) postulate that shame-proneness among family firms employee may cause unethical behaviour in a way that if an employee is high on shame proneness, then such conditions may strengthen the relationship between the affective-tone of a group and the collective-shame. From this discussion, it can be hypothesized that:

H5: Shame-proneness among family employees negatively moderates the direct pathway of collective-shame and unethical behaviours in such a way that collective-shame will strengthen unethical behaviour for employees with higher shame-proneness.

Insert Figure 1 Here Research design

Figure 1: Conceptual Model



Research Design

A survey (questionnaire) was used as the tool for collecting data from the respondents in this study. The population in this study was the family firms; stratified random sampling was chosen. The unit of analysis for this study were family employees of the family firms ranging from the top, middle, and lower managers. We devised three categories defined by Saleem et al (2020) and Sageder (2018:p346) to increase the response rate and sample size: conventional family firms i.e. family-owned and managed firms; full-fledged with more than 50% of ownership; large family firms, i.e. 5% of more ownership and the firm is listed in the local stock market; and partially conventional family firms, i.e. perceived by stakeholders (like an employee). More than 1400 questionnaires were distributed to collect data. Two modes were used to distribute surveys to get a reasonable response rate, i.e. manual and an email. The process of data collection was designed to ensure the privacy of the respondents. An online version of the survey was also developed by using the LimeSurvey website. The survey link was sent via what app after and emails to employees in a known network. The total response rate from both modes was 23.28%. There were a few missing values in the data set which were treated by using SPSS. Age, gender, income, organisation tenure, job status, and education were control variables.

Measurement of Scales

Shame-proneness: Shame-proneness has been assessed by using a subscale of the guilt and shame-proneness scale. It was developed by Cohen et al. (2011). Eight items of shame-proneness have been used. Employees were asked to tap their responses ranging from "very unlikely-1 to very likely-5".

Collective shame: Five items for collective shame were adapted from Brown and Cehajic (2008). Respondents were asked to tap their responses ranging from ‘1-disagree strongly to 7-agree strongly.

Social identity: Social identity was assessed by using six items of organisational identification adopted by Mael and Ashforth (1992) to measure social identity. Because Hameed et al. (2013) consider corporate identification as a type of social identity. A 5-point Likert scale was used. Employees were asked to tap their responses ranging from strongly agree-1to strongly disagree-5.

Unethical behaviour: This scale to measure unethical behaviour was adapted from the research of Mayer et al. (2012, study 1). Seventeen items were used to assess the unethical behaviour of employees. A 5-point Likert scale ranging from 1- strongly agree to 5-strongly disagree was used to record the responses of respondents.

Group affective tone: A 20-item positive and negative affect scale was adapted by Chi et al. (2011) to measure the positive affective tone of the group. Respondents were asked to tap their responses by using a 5-point Likert scale ranging from very slightly or not at all-1 to extremely-5.

Sample Characteristics

Out of 441 respondents, 57.1% of family employees were those who were related to top management, while 43.9% for respondents were not in direct blood relation or referrals of family's firm's top management. In terms of age, 35. 6% of employees were above 47 years and above, and most of the employees were not graduate (50.7%). In terms of job status, more than 50% of respondents were junior managers; 29.9 % reported themselves as middle managers, and 2.7% of family business employees ranked themselves as top managers. The tenure in the organization was mostly 0–5 years i.e. 50.1 %, 26.1% of family employees were affiliated with the family enterprise between 6–10 years. We found that the employees were working with Family Owned and managed firms with 50% financial ownership were 26.3%, 17.7% were large predominantly stock listed and 42.6 firms were small and medium enterprises whose employees think that he/she is working in perceived family firms (i.e. 42.6%). In terms of income, 30.8 % of respondents earned less than 35K, (23.6 %) and 35K–55K, (15.2 %); so we can say that most the family firms were giving the minimum acceptable salary in the country irrespective of managerial level or tenure with the family firm.

Table 1
Characteristics of Samples

Model Fit Statistics				
Variables	***CMIN/df***	***CFI***	***TLI***	***RMSEA***
Shame-proneness	***1.69***	***0.95***	***.93***	***0.04***
Group affective tone	***2.33***	***0.91***	***.86***	***0.06***
Social identity	***2.86***	***0.97***	***0.97***	***0.07***
Collective shame	***2.81***	***0.98***	***0.97***	***0.07***
Unethical behaviour	***2.56***	***0.93***	***0.91***	***0.06***

Confirmatory Factor Test

At first, AMOS version 21 was used to measure the fitness of the study model; and Confirmatory factor analysis (CFA) was conducted to access the validity of measures: Shame-proneness; Group affective tone; Social identity; Collective shame; Unethical behaviour (see Table 2). The following fit indices were used to assess model adequacy (Byrne, 2001): Tucker-Lewis Index (TLI), CMIN/df, Root-Mean Square Error of Approximation (RMSEA) and Comparative Fit Index (CFI). CFI and TLI values above 0.90 and RMSEA scores below 0.08 represent a good model fit (Hair et al., 2010). The result indicated that factor loadings were significant and achieved the threshold values mentioned above for all the variables.

Insert Table 2 here.
Table 2

	Percentage
Family Business Employees	
Related to top management	57.1
Not related to top management	43.9
Age(years)	13.3
Less than 25	
26–36	14.7
37–46	26.4
47–above	35.6
Education Level	
Bachelors	30.8
Masters	08.2
Other Professional certification	12.3
Without any graduates	50.7
Job Status	
Junior Manager	54.2
Middle Manager	29.9
Top Manager	2.7
Tenure in the organization (years)	
0–5	50.1
6–10	26.1
11–15	8.4
16–20	0.7
More than 20	1.8
Type of Organization	
Family Owned (50% share)	26.3
Large predominantly stock listed	17.7
Perceived Family firms	42.6
Income (in Pak Rupee 1000s)	
Less than 35	30.8
35–55	23.6
56–75	15.2
76–95	7.7
96–115	3.9
116–135	2.5
136–155	1.8
156 and above	1.6

Descriptive Statistics

The proposed model of the present study tested using SPSS version 21 and Hayes Process Macro for SPSS. Table 3 shows the mean, SD (standard deviation) and intercorrelation of the current study model. The diagonal values in the correlation table indicate the Cronbach's alpha values of study variables. The Cronbach alpha value higher than .70 indicates the internal consistency of the items, while in some cases statisticians accept 0.60 as a threshold (Hair et al., 2010). Cronbach alpha value of the present study constructs is between the ranges of 0.70 to 0.90, which reflected that all the constructs had internal consistency. Our main variables significantly correlated with each other. For instance, group affective tone positively associated

with shame proneness ($r2= .16$, $p<.01$) and ethical behaviour ($r2= .15$, $p<.01$). Besides, collective shame positively correlated with shame proneness ($r2= .32$, $p<.01$) and social identity ($r2= .29$, $p<.01$). Before testing the proposed hypotheses, we have checked the normality of the study data and examine skewness and Kurtosis values on SPSS. According to Hair et al. (2010), the Skewness value should be between the range (-7 to +7) while kurtosis must occur across the spectrum (-2 to +2). The present study Skewness and Kurtosis values fall between the range mentioned above; hence data is normal; also, the value of tolerance of all study variables is higher than the threshold level of 0.1, and the value of VIF is less than the threshold level of 10 which also indicates that there is no problem of multicollinearity among study variables.
Insert Table 3 here.

Hypotheses Testing

To test our proposed model, we ran Hayes Process Macro Model 21 (Hayes, 2013). Table 4, shows the direct and indirect effect of our study model. The results reveal that group affective tone has a positive and significant relationship with collective shame ($\beta= 1.65$; LLCI= 0.48; ULCI= 2.83); hence H1 is supported. The results also show that collective shame has a significant positive association with unethical behaviour ($\beta= 0.67$; LLCI= 0.40; ULCI= 0.95), which supports hypothesis H2. The significant indirect effect ($\gamma= 0.02$, [0.002, 0.059] shows that collective shame is a significant mediator in the relationship between group affective tone and unethical behaviour. Hence, our mediating hypothesis, H3 is accepted.
We ran Process model 21 (Hayes, 2013) to test moderated hypotheses. The study researchers theorized that the first moderator, social identity (W) negatively moderates the relationship between group affective tone and collective shame. Also, the second moderator, shame proneness (Z) negatively moderates the relationship between collective shame and unethical behaviour. Table 5 provides a summary of moderation results. Our study results reveal that the interaction effect (group affective tone x social identity) has a negative significant ($B=-.36$, $t=-2.37$, $p<.01$) moderating effect on collective shame, at plus and minus one SD on social identity. Besides, study results indicate that the interaction effect (Shame Proneness x Collective Shame) has a negative significant ($B=-.23$, $t=-4.80$, $p<.01$) moderating effect on unethical behaviour, at plus and minus one SD on shame proneness. Hence, hypotheses H4 and H5 are supported.

Insert Table 3 here.

Table 3

Table 3: Correlation Matrix

Variable	Mean	SD	1	2	3	4	5
1. SP	3.00	.590	**.70**				
2. UB	3.04	.630	.10	**.90**			
3. GAT	2.97	.403	.16**	.15**	**.70**		
4. SI	3.88	.630	.14**	.10	.15**	**.81**	
5. CS	3.58	.847	.32**	.10	.16**	.29**	**.82**

Insert Table 4 & 5 here

Table 4: Direct and Indirect Effect

	Dependent Variables					
	Collective Shame			Unethical Behaviour		
Independent Variables	Direct Effect	Lower Bound	Upper Bound	Direct Effect	Lower Bound	Upper Bound
Social Identity	1.46***	0.54	2.38			
Group Affective Tone	1.65**	0.48	2.83	-0.02	-0.17	0.12
Shame Proneness				0.89***	0.54	1.24
Collective Shame				0.67***	0.40	0.95
Indirect Effect	Effects	Boot SE		Lower Bound	Upper Bound	
Collective Shame	0.02	0.01		0.002	0.059	

Note: *p<.05; **p<.01; ***p<.001 (significance levels). The number of cases 441.

Table 5: Interaction Effects

Independent Variables	Dependent Variable			
	Collective Shame		**Unethical Behaviour**	
	B	t value	B	t value
Group Affective Tone	1.65**	2.77		
Interaction *Social Identity x Group affective Tone*	-0.36**	-2.37		
Change in R square	0.01			
Collective Shame			0.67***	4.84
Interaction *Shame Proneness x Collective Shame*			-0.23***	-4.80
Change in R square			0.04	

Note: *p<.05; **p<.01; ***p<.001 (significance levels). The number of cases 441

Discussion

The objective of this empirical study was to explain how group affective-tone, collective shame are related to unethical behaviour and under what boundary conditions for family-owned firms to address the recent call for further researches (see e.g. Berrone, Cruz, & Gomez-Mejia, 2012; Chiang et al., 2020; Duggan, et al., 2020; Saleem, Siddique, Ahmed, 2020). Tsai et al., (2012) have predominantly studied group affective tone with team-level outcomes. Our results regarding the role of the effective group tone for collective shame are consistent with previous research. For instance, Chi, Chung, and Tsai, (2011) claimed that group affective tone usually mediated team outcomes and trust moderates if the leader is transformational. Although in the family enterprise of the gig economy, such chances were low that group-affective-tone exists and cause collective-tone because, in such family firms, we can find season business, lower wages and empowered family employees but somehow our findings were consistent with the latest theory proposed by Daniels and Robinson (2019) and empirical work of Tsai et al., (2012).

Previous research demonstrated that the collective-shame is related to unethical behaviour of employees such that the less they experience the involvement of an intuitive moral judgment of themselves as being wrong the less are the chances that they display unethical behaviours in a family-owned (see .e.g. Murphy, & Kiffin-Petersen, 2017). Conversely, our study partially neglected the multilevel model of shame and ethical behaviour proposed by Murphy and Kiffin-Petersen (2017). One reason could be the culture of the family firms in this gig economy (Kumar et al., 2023). Although it is generally accepted that the culture of Pakistan is collectivistic, however, Farooq et al. (2017) argued that the culture of organisations varies within Pakistan; this could be a reason for our findings related to collective shame and unethical behaviour.

Seminal works on shame, group affective tone and ethical behaviour in organizational life (see e.g. George, 1990 Jones, 1991; Kaptein,2008) concluded that negative GAT partially mediates, the association group coordination and styles of the leadership. However less was known, once the negative tone is set how this cause unethical behaviour and under what conditions (see e.g. Murphy and Kiffin-Petersen, 2017). In this regard, our finding was unique that collective-shame is a significant mediator to link negative group affective tone with unethical behaviour at Paksitani family-owned enterprises. One possible reason could be a leadership member exchange at family firms. According to the literature, leadership can manage the emotions and behaviours of followers (Mayer et al., 2012), and family firms may have a different leader-member exchange and the Seth of the firm might be taking extra care of the family if employees working with them since generations (Afghan, 2011). But in future, we have research questions that why the manager set the negative affective tone among employees in family firms?; and why family business managers show a firm's performance with such a negative group's affective tone than will their counterparts?

Organizational identity is a positive variable and normally the results show that it positively moderated the relationships between leadership and organisational and individual outcomes (see e.g. Hameed et al., 2013). Zellweger et al. (2012) showed that family members identify with family firms improves firm performance. However, for the employees of a family member in a gig economy like Pakistan, we found contrary results; and social identity of an employee with family firms negatively moderates the relationship between group affective tone and collective shame, which was a unique finding and expected; finding of such results is normal were high due to low wages and empowered family owners. Therefore employees in Seth’s of a family firm may need to face transgression and their global self may be hurt. So, our findings were inconsistent with the latest theory proposed by Daniels and Robinson (2019), Murphy, & Kiffin-Petersen, (2017) and the empirical work of Hameed et al. (2013).

Classical quantitative work on shame Cohen et al. (2011) identified that shame-proneness is usually generated at a particular event of insult by a Seth (owner) in a family-owned enterprise, and the shame-proneness is associated with a bad feeling due to any such event, this may cause an employee to misbehave at family firms. So consistent with the theory proposed by Daniels and Robinson (2019) we also found that shame-proneness negatively moderates the relationship between collective shame and unethical behaviour of family firms employees.

Research Implications

This model offers several practical implications for family-owned enterprises of any gig economy like Pakistan. It first highlights how a negative affective tone drives different unethical behaviours in family firms. We suggest, for instance, that if a family enterprise establishes an environment in which a negative affective tone causing collective shame, the likely outcome is to deter wrongdoing i.e. bribe, longer breaks during working hours and pilferage. So more virtuous behaviours among employees could not be promoted in family firms. The previous researcher has shown that shame-prone individuals are more likely to focus on their distress egocentrically. That is why such individuals are more engaged in counterproductive behaviour towards other individuals and organisations e.g. denial of responsibility for their mistakes and substance abuse. So it is suggested that family business managers should try to create an environment whereby shame-prone employees are encouraged and provided with counselling to accept responsibility for their faults and failures in any actions and working with a family firm should moderate positively to promote ethical behaviours like reparative actions, voice apology, Self-improvement; and avoid behaviours like collective corruption, in-group hostility, harassment of non-family and temporary employees and deception (Murphy and Kiffin-Petersen, 2017). At the group level, the findings of this study provide insightful information about how collective shame intervenes in the relationship between group affective tone and unethical behaviours. Piff et al. (2012) state that in an environment of low collective shame, the group leans towards adaptive behaviours; accordingly groups are exposed to emotional contagion processes. So when a family firm will have a positive effect and strong social identity within the group, then the group feels less collective shame and should move towards ethical behaviour.

Limitations and Future Research Directions

Although this research was conducted carefully, it still has some limitations. Firstly, this research cannot provide a complete sketch of the findings and is limited to the family-owned enterprises of a gig economy due to time and cost constraints. Secondly, Given the complexities of the multilevel-model prosed by Murphy and Kiffin-Petersen (2017) we were unable to collect the data due to the unavailability of the measures for the concept like Moral judgment, Emotion regulation and their potential mediating roles. Lately, a study by Daniels and Robinson (2019) has proposed a model of team probation norms, moral emotions like sympathy, compassion, guilt and embarrassment, and ethical behaviours like an absence of ethical deviance, supererogatory, however in family businesses of a gig economy exploring such linkage using qualitative will be a unique contribution as these are subjective realities. Similarly, if family-related employees as group members, who share a common family identity, such as family values and culture may experience vicarious shame if a perceived family employee's member threatens the self-image of a firm; therefore vicarious shame among such related family members may also have a role to play in understanding complexities between this emotion of family vs non-family employees and (un)ethical behaviour in family firms (Murphy & Kiffin-Petersen, 2017). So regarding methodological rigour, a group based analysis could add value to future research Moreover, the results of this study can be more productive and widespread by including a key theory of family business i.e. socio-emotional wealth to test the role of family owner leadership (Berrone, Cruz & Gomez-Mejia, 2012; Chiang et al., 2020) in other gig-economies (Saleem, Siddique & Ahmed 2020) to explore the phenomenon of shame-proneness in another cultural setting (Daniels & Robinson, 2019). The work of Tangney et al. (2007) prosed that another piece in the puzzle to scrutinise how shame and guilt can be managed in organisational across diverse cultures within teams (see, e.g. Dasborough, Hannah, & Zhu, 2020). It is also crucial to investigate which kind of affective event can induce shame at the workplace, while other scholars asking to test why shame is bad and guilt is good (see, e.g. Patock-Peckham, Canning, & Leeman, 2018). Consistent with the preceding call for further research, it may be insightful to consider both interpersonal and intrapersonal characteristics to understand the reaction to shame at work (Aftab et al. 2023; Wolf, et al., 2010). Lastly, the present study can be further extended by exploring the shame-prone among leaders, CEOs and family owners (Mayer et al., 2012), who contend that negative emotions can enhance unethical behaviour (Tang & Chiu, 2003) can corrupt leaders and top management team.

Conclusion

This research makes significant contributions to the body of knowledge by studying the negative emotions of family business employees. It is suggested that the limitations of this study should be considered while generalizing the results to other family firms of similar cultures like the Gulf and Indian region. The study has laid a foundation for future research in the integrated area of the family business and organizational behaviour; so the study helps family business managers to investigate how to reduce unethical behaviours of family firm employees to meet the challenges like COVID 19 and boost family firm's effectiveness in the digital age.

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