

# Navigating Betrayal and Loyalty: Narrative Construction of Minority Shareholders Regarding Dividend Decisions in Indonesian Family-Controlled Firms

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**Abstract:** This study explores the narrative construction employed by minority shareholders as they navigate experiences of betrayal and loyalty concerning dividend policies within Indonesian family-owned enterprises. Utilizing a qualitative approach with an instrumental case study design focused on three family firms listed on the Indonesia Stock Exchange (IDX), the research involved in-depth interviews with 17 minority shareholders (both individual and institutional) whose ownership periods spanned 2 to 20 years. Thematic analysis, following the framework proposed by Braun & Clarke (2006), yielded four principal themes: (1) narratives of exclusion and powerlessness, (2) narratives of ambiguity oscillating between trust and suspicion, (3) narratives of resignation as a coping mechanism, and (4) narratives of conditional loyalty. The findings indicate that minority shareholders construct the meaning of betrayal as a violation of the psychological contract within the dimensions of both distributive and procedural justice. Conversely, loyalty is interpreted as a calculative commitment contingent upon the firm's performance and the availability of alternative investment opportunities. This research contributes theoretically by enriching agency theory and signaling theory through the integration of a narrative perspective, while also identifying psychological coping mechanisms previously underexplored in the finance literature. Policy implications for capital market regulators and family-controlled companies are discussed.

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## INTRODUCTION

The phenomenon of family ownership has emerged as a dominant characteristic of corporate ownership structures across numerous developing nations, including Indonesia. In contrast to the dispersed ownership models commonly observed in Anglo-Saxon countries, corporations in Southeast Asia consistently exhibit concentrated ownership patterns centered on founding families (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998). Empirical evidence indicates that controlling families hold over 50% of companies listed on the Indonesia Stock Exchange, positioning Indonesia as one of the Asian nations with the highest degree of family ownership concentration (Setiawan, Bandi, Phua, & Trinugroho, 2016).

The prevalence of family ownership within Indonesia's corporate landscape carries profound implications for various corporate policies, particularly dividend policy. Prior studies have consistently found that family-owned enterprises tend to distribute lower dividends compared to non-family firms (Nugrahanti, Arifin, & Setiawan, 2020). This finding suggests the presence of

expropriation practices detrimental to minority shareholders, wherein the controlling family exploits its dominant position to channel corporate cash flows for private gain rather than distributing them to other shareholders (Johnson, La Porta, Lopez-de-Silanes, & Shleifer, 2000). This phenomenon is theoretically explained through the lens of Type II agency theory (principal-principal conflict), which emphasizes that conflicts of interest arise not only between management and owners but also between controlling shareholders and minority shareholders (Jensen & Meckling, 1976).

Agency theory, pioneered by Jensen and Meckling (1976), serves as a foundational pillar in corporate finance literature for understanding conflicts of interest arising from the separation of ownership and control. In its original formulation, the theory focused on Type I conflict (principal-agent conflict), namely the conflict between shareholders as owners and managers as firm stewards (Bhimani, 2024). However, the ownership structure characteristics prevalent in most developing countries exhibit concentrated ownership patterns, giving rise to Type II conflict, or principal-principal conflict (La Porta et al., 2000). Within the perspective of principal-principal conflict, controlling shareholders possess both the incentive and the ability to expropriate corporate wealth for personal benefit. Forms of such expropriation include excessive compensation to affiliated directors, unfair related party transactions, asset transfers to other firms within the same business group, and dividend policies unfavorable to minority shareholders (Johnson et al., 2000). Dividend policy represents a crucial instrument in these expropriation practices, as dividends directly transfer corporate wealth to shareholders.

Although the finance literature has extensively examined the relationship between family ownership and dividend policy using quantitative approaches (Rajverma, Misra, & Kumar, 2022; Prabhawati & Isnalita, 2025), our understanding of the meaning minority shareholders attribute to dividend decisions remains considerably limited. Most studies are dominated by panel data regression analyses examining correlational relationships between financial variables, such as profitability, leverage, liquidity, and ownership structure, and the dividend payout ratio (Wirama, Krisnadewi, Artini, & Ardiana, 2024). While this approach excels at identifying general patterns, it possesses a fundamental limitation in capturing the subjective and interpretive dimensions inherent to minority shareholders' lived experiences.

Signaling theory offers a complementary perspective to agency theory in understanding dividend policy. The essence of this theory posits that under conditions of information asymmetry between management and investors, dividends function as a credible signaling mechanism (Bhattacharya, 1979; Miller & Rock, 1985). Dividends are considered costly signals because dividend payments reduce cash flows available for corporate investment; therefore, only firms with promising prospects can afford to pay high dividends without sacrificing growth opportunities (John & Williams, 1985). In the context of family firms and minority shareholders, signaling theory provides insights into how dividend decisions are interpreted by the market. When family firms pay stable and adequate dividends, the signal conveyed is that the controlling family is committed to treating minority shareholders fairly (Michaely, Rossi, & Weber, 2021). Conversely, when dividends are cut or maintained at low levels despite strong corporate profitability, the negative signal received by minority shareholders can trigger perceptions of betrayal.

The narrative approach represents a relatively recent theoretical perspective in behavioral finance, emphasizing the importance of stories in shaping individual understanding of economic and financial phenomena. Shiller (2017, 2019) argues that narratives, memorable and easily spreadable

stories, play a central role in financial market fluctuations, as they influence investor beliefs, expectations, and decisions. Within the context of this research, the narrative approach is employed to understand how minority shareholders actively construct stories about their experiences with dividend decisions in family firms. These narratives function as interpretive tools that help them explain why the dividends they receive fall short of expectations, how they interpret their loyalty to the firm, and why they decide to either maintain or divest their holdings (Riessman, 2008).

Prior studies have provided substantial evidence regarding the relationship between ownership structure and dividend policy. Setiawan et al. (2016) examined 710 firm-year observations on the Indonesia Stock Exchange from 2006 to 2012, finding that family firms exerted a negative influence on dividends, while government- and foreign-controlled firms demonstrated a positive influence. Nugrahanti et al. (2020), using data from 1995 to 2014, found that family ownership, foreign ownership, state ownership, and institutional ownership each exhibited a significant negative relationship with dividend payments. Roida, Yahya, and Sunarjanto (2024) tested 58 family firms in Indonesia over the 2012-2019 period, revealing that internal governance mechanisms such as family ownership were irrelevant to dividend policy, while debt had a negative effect. Prabhawati and Isnalita (2025) investigated 208 non-financial firms on the IDX from 2019 to 2023, discovering that ESG performance positively influenced dividend policy, although family ownership weakened this positive relationship. Wati, Momon, and Cahyono (2023) analyzed 884 observations from Indonesian business group firms, finding that political connections weakened the quality of financial reports in family-controlled firms, though the role of independent commissioners could reduce expropriation. Rajverma et al. (2022) in India found that family firms paid lower dividends compared to non-family firms and also exhibited higher leverage levels. Brito, Ribeiro, and Sanvicente (2020) tested the outcome model versus the substitute model of dividends using a corporate law change in Brazil. Their findings showed that before legal protections were strengthened, firms used dividends as a signal to attract investors. After legal protections increased, dividends did not generally rise, but growing firms actually cut their dividends.

Based on the identification of this gap, this research addresses the central question of how minority shareholders in Indonesian family firms construct narratives of betrayal and loyalty within the context of dividend policy. In alignment with this objective, the study explores and describes the narrative construction process through which minority shareholders interpret their experiences related to dividend decisions within Indonesian family firms, identifies and analyzes the subjective meanings that minority shareholders attach to the concepts of loyalty and betrayal, maps the narrative strategies developed by minority shareholders to resolve cognitive dissonance, and comprehends minority shareholders' interpretations regarding the effectiveness of legal protection and corporate governance mechanisms.

The novelty of this research resides in three key aspects. First, it adopts an interpretive qualitative approach focusing on the narrative construction of minority shareholders, diverging from the predominant quantitative methodologies in dividend research. Second, it explores the psychological concepts of loyalty and betrayal, which have hitherto been overlooked in the finance literature. Third, it integrates agency theory, signaling theory, and a narrative approach within a coherent analytical framework.

## RESEARCH METHODS

This study employs a qualitative approach with an instrumental case study design, as developed by Stake (1995) and Yin (2018). The selection of a case study design is based on its suitability for exploratory research objectives aimed at understanding complex phenomena within real-life contexts (Creswell & Poth, 2018). The instrumental case study design was chosen because this research uses cases (family firms) as an instrument to comprehend a broader phenomenon: the psychological navigation undertaken by minority shareholders.

The population of this study comprises all minority shareholders who invest in family firms listed on the Indonesia Stock Exchange. Firm inclusion criteria were: (a) identifiable family ownership controlling at least 40% of shares; (b) the firm had been listed on the IDX for at least 5 years; (c) the firm consistently paid dividends for at least 3 consecutive years within the 2019-2023 period.

The sampling strategy employed purposive sampling using a criterion-based selection approach (Palinkas et al., 2015). Inclusion criteria for minority shareholder participants were: (a) holding shares in one of the identified family firms for at least 24 months; (b) attending at least 2 General Meetings of Shareholders within the last 3 years; (c) willingness to share experiences openly. Participant numbers were determined based on the principle of theoretical saturation, which in this study was achieved at the 17th participant (Sandelowski, 1995).

The primary instrument was the researcher themselves (human instrument), supported by a semi-structured interview guide developed from the theoretical framework (Lincoln & Guba, 1985). Data collection was conducted through: (a) in-depth interviews (60-120 minutes per participant); (b) documentation of annual reports and dividend announcements for the 2019-2023 period; and (c) passive observation of participation in General Shareholder Meetings. All interviews were recorded and transcribed verbatim.

Data analysis utilized thematic analysis as described by Braun and Clarke (2006), consisting of six phases: familiarization, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the report. The analysis process was facilitated using NVivo 14 software.

## RESULTS AND DISCUSSION

### Overview of Participants and Companies

This study involved 17 minority shareholder participants from three family firms listed on the IDX. Participant characteristics are presented in Table 1.

**Table 1.** Characteristics of Minority Shareholder Participants

| Characteristic              | Category      | Number (n=17) | Percentage |
|-----------------------------|---------------|---------------|------------|
| Investor Type               | Individual    | 10            | 58.8%      |
|                             | Institutional | 7             | 41.2%      |
| Length of Ownership         | 2-5 years     | 6             | 35.3%      |
|                             | 6-10 years    | 6             | 35.3%      |
|                             | >10 years     | 5             | 29.4%      |
| Attendance Frequency at GMS | 2-4 times     | 8             | 47.1%      |
|                             | 5-8 times     | 6             | 35.3%      |
|                             | >8 times      | 3             | 17.6%      |

Thematic analysis of the interview data produced four principal themes representing the narrative constructions of minority shareholders.

**Theme 1: "We Are Mere Spectators" – Narratives of Exclusion and Powerlessness**

The first theme emerged from 14 of the 17 participants (82.4%) who voiced feelings that their presence as shareholders was merely ceremonial, lacking substantive influence. MS-A4 (institutional investor, 12 years of ownership) stated:

"I have attended eight General Shareholder Meetings. Each time, the agenda concerning dividends is always approved by majority vote. The controlling family arrives with their voting block, which is a foregone conclusion. We simply approve. There is never any substantive discussion regarding the dividend amount."

This experience reflects the reality of concentrated ownership structures in Indonesia. As highlighted in an analysis by Glass Lewis (2026), low free float levels mean that shares available for public trading are very limited, leaving minority shareholders without meaningful collective power.

Beyond participative exclusion, participants also voiced limited access to information. MS-B5 (institutional investor, 15 years of ownership) explained: "We only receive audited financial statements, but that is insufficient to understand why the dividend was set at a particular level. We do not know the future cash flow projections, nor do we know the detailed investment plans. We are given the final numbers, not the thinking process behind them."

This information gap reinforces the information asymmetry central to signaling theory (Miller & Rock, 1985). Under conditions of high information asymmetry, minority shareholders cannot distinguish whether a low dividend policy reflects genuine cash constraints or is a covert form of expropriation.

**Theme 2: "Between Trust and Suspicion" – Narratives of Ambiguity**

The second theme emerged from 12 of the 17 participants (70.6%) who acknowledged being positioned between trust and suspicion. Identified sub-themes included initial goodwill, situational trust, and a suspicion threshold.

MS-A1 (institutional investor, 7 years of ownership) stated: "I chose this stock because the founding family has a reputation for credibility. They built this company from nothing over decades. There is a kind of 'goodwill' attached to their family name. That is what made me trust that my money was safe."

However, this initial trust gradually erodes. This study identified a psychological threshold causing the shift from trust to distrust. MS-B3 (individual investor, 4 years of ownership) described his critical moment: "I began to suspect when in 2022, company profits rose nearly 15%, but dividends actually fell. I checked the financial statements and noticed a large increase in 'related party receivables'. That made me wonder: is the money truly being borrowed, or is it being... diverted? Since then, I have never fully trusted again."

MS-B3's experience aligns with Wati et al.'s (2023) finding that astute investors can detect expropriation patterns through indirect indicators such as related party receivables.

**Theme 3: "Resignation as Strategy" – Narratives of Resignation**

The third theme emerged from 10 of the 17 participants (58.8%) who developed resignation as a coping mechanism. Sub-themes included the normalization of disappointment and the suppression of voice.

MS-C4 (institutional investor, 20 years of ownership) explained: "After twenty years, I am no longer surprised. This is a recurring pattern: profits rise, dividends stay the same; profits fall, dividends also stay the same. I have accepted that this is part of the 'package' of investing in a family firm. I cannot change it, so I just need to adjust my expectations."

This normalization phenomenon functions as an ego defense mechanism protecting participants from more severe psychological distress. MS-C6 (individual investor, 2 years of ownership) revealed: "I once wanted to ask at the General Meeting why dividends did not increase despite profit growth. But a friend advised me not to, saying I would be labeled a 'fussy shareholder' and might damage my relationship with management. So I dropped the idea."

This suppression of voice reflects the fundamental power asymmetry between majority and minority shareholders, considered by some researchers an unavoidable consequence of concentrated ownership structures in emerging markets.

#### **Theme 4: "Conditional Loyalty" – Narratives of Conditional Loyalty**

The fourth theme emerged from 13 of the 17 participants (76.5%) who stated that their loyalty is conditional and revocable. Sub-themes included performance-based loyalty and triggers for disloyalty.

MS-A3 (individual investor, 3 years of ownership) stated: "As long as the share price rises, I do not worry too much about dividends. My returns can come from capital gains. The problem arises when the share price falls and dividends are also small—that is when I reconsider."

This study identified several triggers that transform conditional loyalty into exit decisions. MS-B4 (individual investor, 2 years of ownership) described: "I held these shares for two years. The first year, dividends were small, but I stayed. The second year, dividends were still small, and the share price dropped. While waiting, I read the financial statements and discovered a large loan to an affiliated company without clear collateral. That was my turning point. I sold all my shares."

## **Discussion**

### **Type II Agency Conflict from a Narrative Perspective**

#### **Empirical Validation of Principal-Principal Conflict Existence**

This study's findings provide empirical evidence strengthening the validity of agency theory (Jensen & Meckling, 1976) by demonstrating that principal-principal (Type II) conflict genuinely occurs within Indonesian family firm structures. However, the primary contribution of this research lies not merely in confirming the existence of such conflict, but in uncovering the psychological and narrative dimensions previously neglected in mainstream finance literature. The findings reveal that the losses experienced by minority shareholders are multidimensional: besides suffering material losses from receiving dividends lower than their proportional share of company profits, they also endure non-material losses manifested in feelings of betrayal, neglect, and powerlessness in influencing dividend decisions.

The consistency of these findings with cross-country research reinforces their theoretical generalizability. In India, Rajverma, Misra, and Kumar (2022) reported that family firms distribute significantly smaller dividends compared to non-family firms. Meanwhile, in the Indonesian context, Wati, Momon, and Cahyono (2023) documented that poor corporate governance quality is positively correlated with an increased tendency toward expropriation by controlling shareholders against minority shareholders. Thus, this research not only replicates previous findings but deepens

understanding of the psychological mechanisms underlying the relationships among ownership structure, dividend policy, and perceptions of injustice.

### **Dividend Smoothing as an Ambivalent Strategy**

Furthermore, this study examines the phenomenon of dividend smoothing from a critical perspective distinct from prior literature. Research conducted by scholars from Zhongnan University of Economics and Law and the University of Malakand in Pakistan found that family firms in emerging markets tend to implement dividend smoothing more intensively. This strategy is intended to build minority shareholder trust while simultaneously signaling that the controlling family is willing to sacrifice some personal gains to reduce Type II agency conflict.

However, this research makes a theoretical contribution by complementing those findings, showing that dividend smoothing practices are not always interpreted positively by minority shareholders in Indonesia. Dividend stability at low levels does not automatically generate trust accumulation; instead, such stability is often interpreted as a form of restricting access to company profits during periods of high earnings. In other words, small stable dividends are perceived as a mechanism benefiting the controlling family more than minority shareholders. This finding indicates that signals conveyed through stable dividend policies are ambivalent and highly dependent on the context of investor expectations and historical experience.

### **The Role of Socio-Emotional Wealth (SEW) in Expropriative Behavior**

Research conducted by Leung (2023) in Canada revealed that family firms exhibit a unique agency behavior pattern originating from their primary motive to preserve the family's socio-emotional wealth (SEW). This non-financial orientation drives owner-managers of family firms to avoid any losses in the affective values attached to their ownership and control positions. In the short term, Leung (2023) shows that the tendency of family firms to retain earnings and pay lower dividends represents a manifestation of expropriation against minority shareholders (Type II agency problem), driven by the motivation to protect the intergenerational continuity of family wealth.

This finding directly reinforces the interview results with participants in this study, particularly MS-A4 and MS-C4, who explicitly stated that the dividends they received were disproportionate to the profits generated by the company. Both participants perceived a practice of "profit retention" benefiting the controlling family more than public shareholders. This feeling of "being expropriated" lies at the core of the narrative construction of betrayal identified in this research. Thus, this study provides empirical evidence that the SEW concept is not merely a theoretical construct but possesses strong explanatory power in explaining dividend behavior of family firms in Indonesia.

### **Concentrated Ownership and Expropriation Indicators**

Research on ownership structure and dividend smoothing in Pakistan also revealed that companies with concentrated ownership tend to practice dividend smoothing with less intensity and show minimal concern for reducing agency conflict. Large blockholders prove more tolerant of dividend cuts because their primary priority is the firm's long-term survival. However, on the other hand, concentrated ownership structures actually create greater opportunities for expropriation practices against minority shareholders.

This finding directly reflects the experiences of participants in this study, especially MS-B3 and MS-B4, who identified expropriation indicators through their observations of corporate financial statements. Both participants specifically highlighted increases in related party receivables

unaccompanied by adequate transparency. These indicators are perceived as channels used by the controlling family to divert company funds beyond the reach of minority shareholders. Thus, this research confirms that principal-principal conflict is not an abstract theoretical phenomenon but constitutes a real experience actively constructed narratively by minority shareholders through their observations of corporate financial indicators. The narrative of expropriation built from observations of these indicators forms the psychological foundation influencing their subsequent investment decisions.

### **The Psychological Contract in Investor-Company Relationships**

#### **Relevance of the Psychological Contract and Distributive Justice**

The psychological contract framework developed by Rousseau (1989) demonstrates strong explanatory power regarding the phenomenon of betrayal perception among Indonesian minority shareholders when dividend policies diverge from their expectations. Cross-country research in China on profit distribution unfairness in limited liability companies revealed that minority shareholder expectations are based on the principle of "reasonable expectation"—the belief that they are entitled to receive a fair portion of profits according to their ownership proportion. When a company distributes low dividends while recording high net profits, a violation of the principle of distributive justice occurs, which in turn triggers perceptions of substantive unfairness in the eyes of minority shareholders. The China study also identified several indicators of psychological contract violation, including excessive compensation to management, acquisition of assets unrelated to core operational activities, and profit concealment or transfer practices. These conditions directly mirror the experiences of participants MS-B5 and MS-C6 in this study, who revealed that they felt they were "given the final numbers, not the thinking process behind them" when receiving company financial statements.

#### **Legal Protection and Ineffectiveness of Minority Rights in Practice**

Although legal frameworks in various countries, including Indonesia, have provided protection mechanisms for minority shareholders, their implementation often proves ineffective. In European legal systems, for instance, there exist protection instruments such as reinforced majorities for fundamental corporate decisions, anti-dilution tools in capital increase scenarios, and double majorities for decisions affecting specific share classes. However, as expressed by participants in this study (MS-A4 and MS-B5), formal mechanisms such as voting rights in General Shareholder Meetings have never been optimally used by them due to high litigation costs, limited information access, and the absence of adequate collective action mechanisms. Research on judicial intervention in China also acknowledges that the primary barriers to minority shareholder protection lie in the heavy burden of proof on the minority party, alongside rigid judicial interpretation of concepts such as "abuse of shareholder rights" and "damages."

#### **Governance Mechanisms and the Urgency of Shareholders' Agreements**

Research on legal protection for minority shareholders in family firms emphasizes that effective protection mechanisms must minimally encompass three elements: the right to access company information, the right to propose resolutions, and protection against oppressive practices by majority owners. In this context, shareholders' agreements can serve as critical instruments regulating minority rights, decision-making protocols, and dispute resolution mechanisms. Nevertheless, within the Indonesian family firm context that is the object of this study, not a single

participant reported the existence of a shareholders' agreement explicitly protecting their rights. Instead, participants acknowledged relying entirely on statutory mechanisms that proved inadequate. This finding indicates that minority shareholder protection in Indonesia remains heavily dependent on the good faith of the controlling family rather than on an enforceable legal framework. Therefore, this research recommends that regulators encourage the adoption of shareholders' agreements explicitly governing dividend policy, information access rights, and mediation mechanisms for minority shareholders. The first condition violates the sense of distributive justice, while the second violates the sense of procedural justice (Colquitt et al., 2001). Both justice dimensions play important roles as they influence how minority shareholders interpret their experiences and the future investment decisions they will make.

### **Expanding the Exit-Voice-Loyalty Model**

#### **Expansion of Hirschman's Model to Capital Market Contexts**

The exit, voice, and loyalty model proposed by Hirschman (1970) was originally designed to explain consumer and organizational member responses to declining product or service quality. This research expands the scope of that model into the context of investor-company relationships in the Indonesian capital market by identifying a fourth strategy not encompassed in Hirschman's original typology: "neglect" (passive disregard) or "resignation." In the family business context, research on individual responses when perceiving that a family business is built upon unethical business practices also identified "neglect" as a supplement to Hirschman's typology. This finding confirms that minority shareholders in Indonesia not only have three options—exit, voice, or loyalty—but also a fourth option: "silent resignation," remaining shareholders but no longer caring about or actively participating in corporate governance activities.

#### **Factors Moderating Response Choices**

This study identifies that the choice among exit, voice, loyalty, and neglect is not random but is influenced by specific moderating factors. Research on the economic rights of minority shareholders without managerial control demonstrates that minority shareholders are often trapped in situations where they have economic rights—specifically, the right to receive dividends—but lack managerial control to influence dividend decisions. This imbalance creates "power asymmetry" that renders the voice option ineffective and the exit option costly. In this study, participants with ownership tenure exceeding ten years (MS-A4, MS-B5, MS-C4) tended to choose resignation strategies, while participants with ownership tenure between two and five years (MS-A5, MS-B4, MS-C6) tended to consider exit options. This finding suggests that ownership length acts as a moderating variable influencing response tendencies toward dividend dissatisfaction.

#### **Implications for Minority Shareholder Activism**

Contrary to assumptions that minority shareholders in family firms passively accept expropriation practices, research conducted by Berrone and colleagues on 543 public family firms in the United States over a ten-year period actually found that conflicts between family businesses and minority shareholders are relatively rare. This finding suggests that although the potential for conflict perpetually exists, generally minority shareholders do not feel expropriated by family owners. This is primarily due to the fact that family firms consistently demonstrate superior financial performance compared to non-family firms. This finding contrasts with the results of our research in Indonesia, where 12 of 17 participants (70.6%) reported ambivalent feelings oscillating between trust and

suspicion. This difference can be explained by disparities in institutional quality and the level of minority shareholder protection between the United States and Indonesia. In the United States, robust corporate governance mechanisms and law enforcement make it difficult for family firms to expropriate minority shareholders without facing serious legal consequences. Conversely, in Indonesia, these mechanisms remain relatively weak, making expropriation practices more likely to occur.

## CONCLUSION

This research concludes that minority shareholders in Indonesian family firms construct four principal narratives when navigating experiences of betrayal and loyalty: narratives of exclusion, narratives of ambiguity, narratives of resignation, and narratives of conditional loyalty. Loyalty is interpreted as a calculative commitment contingent upon firm performance and the availability of alternatives, while betrayal is interpreted as a violation of the psychological contract across the dimensions of distributive and procedural justice.

This study has several limitations: (1) limited generalizability due to the focus on only three family firms and 17 participants; (2) potential retrospective bias and social desirability bias; (3) absence of direct observation of dividend decision-making processes; and (4) the cross-sectional temporal scope of the research. Future research could expand sectoral coverage, employ longitudinal approaches, or incorporate the perspectives of controlling families.

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