

Dominique Otten-Pappas

Taking over the Family Business

A career developmental perspective on
male and female succession

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Dominique Otten-Pappas

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I dedicate this work
to my parents,
Heiner & Marcella

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List of abbreviations

| | |
|--------|---|
| BOD | Board of directors |
| CAQDAS | Computer assisted qualitative data analysis software |
| CDSTF | Career development systems theory framework |
| DAX | Deutscher Aktienindex (German stock market index) |
| EPE | Expectation of parental expectations |
| e. g. | latin: <i>exempli gratia</i> , translation “for example” |
| et al. | latin: “ <i>et alii</i> ”, translation: “and others” |
| FB | Family business |
| FOB | Family owned business |
| i. e. | latin: “ <i>id est</i> ”, translation: “that is” |
| p. | page |
| QCA | Qualitative content analysis |
| TMT | Top management team |
| WIFU | Wittener Institut für Familienunternehmen (Witten institute for family business) |

Foreword by Prof. Dr. Arist von Schlippe

Succession remains one of the core issues that family businesses have to deal with. Today, no less than in previous times, the owning family wishes to maintain control of the family company. In most cases, this means that at least one family member should be the next company leader and that transfer of ownership should ideally be accompanied by leadership succession. Well, that's the wish and the desired goal – the question of how this should be accomplished, however, is not always easy to answer. Succession may lead a family and its firm into difficult psychological and organizational dead-ends; it is a challenge for many (though not all) family companies to find a way to come to a clear and sustainable decision about succession. But succession is far from being an easy task. Rather, it can be seen as a complex “puzzle”. Dealing with the details of this challenge with its multiple demands is not taught either at the university or in management classes. Ownership and leadership transfer from the senior to the junior generation results in certain dynamics in the family and in the company, as well: Any family is a web of intertwined relationships especially vulnerable to misunderstanding, conflict, and emotional tension in transitions. So, the inherent psychological complexity of the family business (and the business family) unfolds when trying to solve problems that are associated with succession.

No wonder the actors frequently feel stressed, sometimes even overburdened and in need of help. Consequently, a great deal of scientific effort has been devoted to providing support for the families, and there is a large body of research dealing with topics of succession. Many of these studies have brought insights into many issues: the way the succession process should be designed, the competencies and qualifications demanded of the successor (and ways to raise them), strategies to find the best-suited person, the impact of successful or unsuccessful succession on firm performance, the changes that take place within the internal structures of the family system as well as the firm system, etc.

In comparison to this broad research stream the person and the personal perspective of the successor are greatly underrepresented. To date, the successor has rarely been looked at as someone who is personally involved in generational

transitions, and who actively pursues his or her own career. This gap is the starting point for the study presented here by Dominique Otten-Pappas. Starting from the well-elaborated concept of “successor commitment”, she is interested in the perspective of the successor him-/herself: How does he or she experience the situation? How does he or she face the specific family business paradoxes (especially those associated with succession) and plan his/her own career? How does he/she assess the expectations of the parents, and how will he/she position him-/herself within the web of expectations of the different stakeholders?

The author’s research is concerned with these questions in order to offer support for the potential successor in dealing with succession issues. She takes a “career developmental look” into consideration, focusing on the succession process within the family in family businesses. She looks for answers as to how a “child” of a business family commits to joining the top management team in the family firm. These decisions are individual and personal; they have implications for personal development, for career planning and for options. An additional question that interests her is whether male and female successor perspectives differ in these processes? How far do gender differences reach in the discussion of these questions?

Of course, not all those questions can be answered sufficiently by any book. But her approach is appealing: She knows that potential successors try to orientate and position themselves within the web of expectations that they expect to enter. For the first time to the best of my knowledge, the “expectations of parental expectations” (EPE) are the subject of research. It can be assumed that they are usually only implicitly dealt with, and very rarely talked about, in intergenerational discourse. So, in order to fulfil these expected expectations, the potential successors need to find out about them, build a picture or even guess about them. Thus the EPE (and the personal construction of them) will have quite an impact on the commitment and the decisions of the successor. They are the starting point for the successor’s decision and for the argumentation line of this study also. In a next step the study goes deeper: The different case studies presented here convey a vivid picture of the process by which the potential successor comes to a decision. The variety of the successor’s pathways in generational transitions is well met by a creative assessment tool that the author developed. By applying it, any successor can look at his/her own “successor profile”, and thus reflect on their own decision making process, getting a better picture of it.

In short, this book offers valuable new insights for everyone involved in succession issues. It helps successors gain awareness of their own situation and position within their succession process and better understand the “facilitators” and “barriers”. By doing so it supports successors in taking their decision for or against a career in the family business, and invites the other members of the

business family to become more aware of the aspects involved in the succession decision. Last but not least counsellors will find the text helpful in developing a deeper understanding of the way a succession decision is formed on the side of the successor. So, my conclusion is that anybody who is involved in family business issues can profit enormously from reading this text, and I wish the reader success in applying the thorough knowledge that is summarized in this study.

Witten, June 2015

Prof. Dr. Arist v. Schlippe

Acknowledgements and foreword by the author

Succession is one of the most researched topics within the family business research field. Sometimes people ask if there is anything left that we do not know about succession. I think that there is much we do not know about succession because there is little we know about successors. Before we understand what drives different people at different times and in different places to take over their family business, there is much left for us to learn. One reason for choosing this topic lies in my personal family business background. Having been born as daughter into a large business-owning family, the interest in this special kind of business and the understanding of its particularities are something I grew up with every day. Finding my place in the world of work and taking decisions about my future career, I did not know how to approach the decision of whether to become actively involved in our family business or not. Searching for answers in the literature yielded no helpful results. The majority of studies investigating succession focus on the point of view of the family business and the deciding members of the business-owning family, not on the point of view of the successor and his or her future career. The main interest of the family is selecting the “right” successor and putting rules and structures in place to avoid at all cost choosing the “wrong” successor who might lead the family business to ruin. Furthermore, it became apparent to me that female successors remain a rarity even today. Instead of becoming clearer in my decision, I became more and more worried and more and more convinced that I was not ready and would need to prepare myself for this monumental and vital task. Talking to successors who had already taken this important step, I realized that there were many factors to consider and such a thing as being over prepared. Sometimes, not knowing what was in store in the family business was the only way these successors could be “lured” into the position in the first place. I became more and more intrigued about the personal experiences of family business successors and decided to research this topic in my doctoral dissertation. Undertaking this research was a journey during which I came to understand that a family business is something special. Belonging to a business-owning family is not only a responsibility you

carry, but also a gift to cherish. I want to thank my family for giving me the opportunity to take my own decision about whether or not I want to be involved in shaping the future in our family business.

Completing this task was possible only because of the support of a great number of people who I want to acknowledge in the following. I want to say special thanks to my “Doktorvater”, Arist, who has supported me through all the twists and turns taken in finishing this work as well as my second supervisor, Andrea, who made sure I did not get lost in the “publication game”. Thank you to my beacon of light in the labyrinth that is qualitative research, Till, without whom I might still be looking for my research question. I also want to thank all the members of the WIFU doctoral colloquium led by Andreas Hack as well as the “UW/H Forscherwerkstatt” headed by Werner Vogd who allowed me to try out my ideas and helped me not to go down to many dead ends. The numerous helpers who assisted me with the validation of the research results, I want to thank for the effort they invested in helping me, to complete my project on time. Finishing this work would also not have been possible without the support of my loving husband, Marcus, who needed to spend many days and nights of our new marriage alone without ever complaining when I was at my desk in full “night owl” mode. Thank you for being there for me and supporting me in my quest to see this research through to the end. I want to thank my father, Heiner, in particular for hanging in there that little bit longer to give me the time to finish this project and for his enthusiasm while working together with me while at the same time cultivating the art of “letting-go”. My mother, Marcella, who prepared me for those times in my life when things are not that easy and who taught me to believe in myself and what I can achieve. Finding out what I wanted to know about the decisions of successors would not have been possible without the time and honesty generously offered to me by my interview partners, which is why I want to extend my gratitude to all of them.

I hope that the insights I have gained from their experiences and put into writing in this book will help other young family members of business owning families and potential successors to view their family business as a gift and not a burden.

Düsseldorf, 17th of June 2015

Dr. Dominique Otten-Pappas

1 Introduction

“One of the major issues that a family firm faces is choosing a successor.”
(Chrisman, Chua, & Sharma, 1998, p. 27)

The statement cited above, makes an important point about family firm succession. It identifies succession as a major issue a family firm needs to face. However, the statement also points out a crucial oversight family business research could be accused of in the past: The successor and his or her choices as an individual have largely been ignored in research and literature about succession. The current study seeks to remedy this oversight by examining the perspective of family business successors.

Before the issue can be explored further, it needs to be defined what a family business actually is. For the purpose of the current study, the definition to be considered is that propagated by the Witten Institute for Family Business (WIFU), which states the following:

*“We use the term family business when an enterprise is **owned wholly or partly** by one **family**, several families or family associations and the latter have a **determining influence** on the development of the company based on entrepreneurial responsibility.*

*This responsibility of the business family or families is exercised by **means of a management or supervisory function** or both. The legal form and size of the company are irrelevant.*

*The **transgenerational aspect** is essential to a family business. For this reason, it is strictly speaking only correct to refer to a company as a family business if the family is planning to hand down the company to its next generation. Start-ups and owner-managed companies are therefore not yet family businesses in their own right.”* (Plate, 2010; Witten Institute for Family Businesses, n.d. *emphasize added by the author*).

As can be seen, ownership and management as well as transgenerational intent are central to this definition. Succession is by definition one of the central characteristic of a family business and the central aspect for the current study. The definition clearly shows that there are three systems at the heart of what makes a family business a family business: the family, the business and the ownership system (Tagiuri & Davis, 1996). It has since become the most commonly used systems model and has found wide acceptance in family business research (Gersick, Davis, McCollom Hampton, & Lansberg, 1997). It serves to

illustrate the three different systems forming the family business and the different logics employed in them (Schlippe & Frank, 2013).

According to the above cited definition transgenerational transfer of ownership and/or management lies at the heart of what makes a family business a family business. Without succession, a business cannot by definition become or remain a family business. So what is needed for family business succession to occur is a family business and at least one member of the next generation able and willing to take control of the family business in the future (Sharma, Chrisman, Pablo, & Chua, 2001). If no potential successor (i. e. offspring of the business-owning family) is available, the family business might cease to exist as a family business since it might have to be sold or closed down.

Family succession is considered one of the most important issues facing family businesses (Brockhaus, 2004; Handler, 1994; Sharma, 2004), and it remains a dominant research interest (Yu, Lumpkin, Sorenson, & Brigham, 2011). That this issue is a main focus of research is understandable as the definition of a family business is linked to the “transgenerational intent” of the business owners. Only if the ownership and governance or ownership as well as management of the business are handed down to the next generation, will it remain a family business.

A practical reason why succession is of such interest for researchers resides in the fact that succession can be a dangerous process for a family business (Kets de Vries, 1993; Ward, 2005). And while the demise of a single family business might not be of public interest, family businesses in general are of great importance for the German economy. A recent survey concluded that 2.8 million businesses in German can be classified as family businesses. They produce 51 % of all revenue and provide 60 % of German employment (Stiftung Familienunternehmen, 2011) giving an indication of their relative importance in practical terms.

Only a handful of studies published in the last 30 years have actually focused on the point of view and personal experience of the successor and the importance the decision to join the family business has in the successor’s life (Birley, 1986; Dumas, Dupuis, Richer, & St.-Cyr, 1995; Handler, 1990; Stavrou, 1998). The main focus of most studies has been on the best way to select a successor who will be the best choice for the family business in terms of performance from the perspective of the family business and the incumbent (Cadioux, Lorrain, & Hugron, 2002; Chrisman et al., 1998; Gilding, Gregory, & Cosson, 2013; Handler & Kram, 1988). The successor is educated, socialized, prepared and finally selected. The role of the successor, according to the literature has hitherto been described as passive. The successor’s decision and motivation to join the family business has so far not been researched systematically (Dawson, Sharma, Irving, Joel, & Chirico, 2012).

Despite the passive role attributed to successors in the family business lit-

erature, in reality the role to be fulfilled is far from passive and the decision to be taken is not simple (Stavrou, 1998). The successor is destined to take over management and ownership of the family business, which will require him or her to become very active. The skills and abilities needed for the role of successor and the function as family business manager need to be developed and acquired. A decision for the family business also entails a career decision for the family business successor, which will likely predetermine the remainder of his or her professional life and career.

Thus far, family business literature has only rarely considered succession from the perspective of career development for the successor (Eckrich & Loughhead, 1996). The main focus of career development research has been on the individual and his or her choices regarding occupation and career. Therefore, career development literature so far unrelated to the realm of family businesses will be used to illuminate this until-now uncharted territory of family business research.

Only a small number of studies included in this category have investigated the career development of women in particular (Astin, 1999; Betz & Hackett, 1981; Cook, Heppner, & O'Brien, 2002; Farmer, 1985, 1997; Lent, Brown, & Hackett, 1994) as it has been found to differ from that of men who have most often been the focus of career development research. Researchers have pointed out that in order to arrive at a better understanding of career development, gender will have to be taken into account in the future as a variable in accounting for individual differences given that additional variables concerning the career behaviour of women as well as men have been identified (Fitzgerald, Fassinger, & Betz, 1995). These insights concerning the career development of men and women suggest that a differentiated look at career development succession of male and female successors is also warranted. In a large scale literature review on family business research, Yu (2013) concludes that "in terms of research [...] the role of [...] female family members remain understudied and are still missing" (p.20). Other scholars have concluded that research on women in family businesses is fragmented, inconclusive (Martinez Jimenez, 2009; Vera & Dean, 2005) and un-systematic (Sharma, 2004; Wang, 2010). The current study will therefore take a differentiated look at male and female succession to determine whether there are systematic gender differences concerning the succession decision and related career development.

The main aim of this study is to gain insight into the decision process of family business successors' decision to become the successor of the family business. Contrary to previous family business research, the current study does not ask what a person has to do to become the successor, but rather what it does to a person to be or become the successor.

The main research questions of the current study therefore are:

1. How does a “child” of a business-owning family take the decision to become the successor to the family business?
2. How is this decision experienced and what does it mean for the career development of these individuals?
3. Does the experience differ for male and female successors, and if so, how can the difference be described?

The contribution of the current study will be to assume the perspective of the successor and from this perspective describe the succession process. Furthermore, it will import insights from career development theory into the family business research field. In doing this, it will keep in mind the differences between male and female successors and determine whether there are differences concerning the succession experience.

2 Theoretical Background

Succession is one of the elements central to the definition of a family business and it is also one of the major issues in the family business research field. In order to establish the state of knowledge about succession relevant for this research, it needs to be clarified how succession is understood within the context of the current study.

In accordance with Sharma et al. “[t]he succession process is defined as *the actions and events that lead to the transition of leadership from one family member to another in family firms. The two family members may be part of the nuclear or extended family, and may or may not belong to the same generation.* For succession in the family to occur, there must be three components: a leader who hands over the leadership role, a successor who takes over the role, and a mechanism by which the transition takes place” (2001, p. 22). According to the above-cited definition, the family business successor is one of the three essential components for the transition of leadership to occur.

The succession process is defined by the actions and events leading to the leadership transition. This often entails management as well as ownership succession. The current study will investigate the above-defined succession process by looking at these actions and events from the point of view of the successor as this is a perspective only rarely explored by family business research. A recent study concurs on that point by stating that “to date, there has been little systematic research to address why family members get involved in and remain with their family enterprise as a career choice” (Dawson et al., 2012, p. 2). The concept of successor commitment (Sharma & Irving, 2005) seeks to describe that force that binds the successor to the family business. It will be used in the current study to explore the link between the successor and the family business.

Since the successor is essential for the succession process, it follows that when no successor is available and willing to take over the family business, trans-generational transition cannot occur. Generally, family business succession entails ownership as well as management succession. In cases in which only

ownership succession occurs within the family, management succession can include external managers. In cases in which no successor can be found, the business must be sold or closed. When succession fails i. e. when the business fails to be passed on to the next generation in ownership and/or management, the business ceases to be the business of the business-owning family. In cases where family internal management succession occurs, the successor will quite likely spend the rest of his professional career within the family business. The decision to become the successor and take over management of the family business can therefore also be considered an important personal decision concerning the successor and his or her career. Sharma hypothesized that successors while “[k]nowing they have no real choices to make, they subdue consideration of what their own interests might be. However, these are only some speculative explanations and need to be subjected to careful theoretical development and empirical testing.” (2004, p. 13).

The current study will investigate whether the succession decision is indeed experienced as a choice to be made. In order to achieve this aim, the succession process will be examined from a career developmental perspective.

The role of the incumbent in the succession process is cited as the final necessary element for succession to occur. The current study will take into account this essential element insofar as the influence of the incumbent on succession will be considered from the point of view of the successor. The succession process does not occur in a vacuum but within a complex setting with many influencing factors from the environment and the family business context (Le Breton-Miller, Miller, & Steier, 2004). The current study will account for the inhibiting or facilitating influences of factors as experienced and described by successors among which the relationship with the incumbent is only one, albeit an important one.

In order to achieve the above stated aims, the following chapter will first take a close look at the state of knowledge concerning family business successors as individuals. The second section will explore the succession process and relevant career development theory concerning career decision making in particular. The third section will outline previously identified factors found to influence the succession process and the successor.

2.1 The successor

Before the current study can endeavour to outline what the family business literature knows about successors, the term “successor” as it is used in the research field needs to be clarified. The Oxford Dictionary defines the term successor as “a person or thing that succeeds another” (n.d.). It becomes ap-

parent from this simple definition that a successor can only be defined in relation to another, i. e. the *incumbent*. The definition of the succession process provided in the previous section (Sharma et al., 2001) defines the incumbent as a family member of the nuclear or extended family from the same or another generation. In the current study, a successor is understood as a member from a younger generation than the incumbent. The same definition posits that succession occurs when the successor takes over the leadership role from the incumbent in the family firm. Therefore, the term successor denotes a role that entails the takeover of said leadership function.

A role can be defined as “the function assumed or part played by a person or thing in a particular situation” (Oxford Dictionaries, n.d.-b). The role of the successor is therefore the function assumed by the family business offspring in the transgenerational leadership transfer. The succession process is theoretically completed once the incumbent becomes inactive through retirement or death. The role of successor can therefore be understood as a transitional role which is assumed before becoming the family business incumbent. While the incumbent is still active, the term successor denotes a role as well as a job description. It does not, however, describe the professional career aim which would be that of family business manager. The successor must transition from follower to family business leader during the course of the succession process (Cater & Justis, 2009). The role of successor working with the incumbent demands a different skill set than the role of family business leader, the ultimate career aim of the successor.

Additionally, depending on the developmental stage of the business, the managerial task to be fulfilled by the successor and the skills required have been proposed to differ considerably (Kroeger, 1974). Different generations of a family business might therefore require different profiles if the current managerial task is to be carried out successfully. The managerial role to be fulfilled in different stages of the business life varies from inventor/originator in the initiation phase, to planner/organizer in the development phase, to developer/implementer in the growth phase, to administrator in the maturity phase, and finally to successor/re-organizer in the declining phase. Based on this model, the characteristics and skills required of successors from different generations and businesses in different life cycle stages would naturally differ. A review of the literature cannot therefore be expected to identify a unified set of skills common to all successors irrespective of the managerial role to be performed.

None of the thoughts considered above help to clarify when or how the offspring of a business-owning family becomes a successor. Cases cited in the literature about family business successors “indicate an awareness of preparation for leadership that begins long before the successor enters the business, and that continues beyond the point of succession” (Longenecker & Schoen, 1978, p. 1).

The label *successor* can be attached to an individual long before the actual act of transfer of positions has occurred. In some cases the person destined to become the successor is never allowed to achieve his or her destiny. In other cases an individual becomes the designated successor before he or she is even born (Simon, 2005). In this, it is unlike any other occupational function which generally crystallizes in late adolescence or early adulthood. During this pre-succession phase and before the child of a business-owning family becomes the successor of the family business, he or she can be described as a potential successor. Potential successors may not consider themselves as such if the parents fail to communicate otherwise (Ward, 1987). This is particularly true for female successors, as shall be explained later (Moynihan-Bradt & Gillis-Donovan, 1990).

Now that the term successor and the role associated with it have been described, recent literature reviews on the topic will be referenced to assess the state of knowledge about family business successors. Reviewing the field of family business research, Sharma (2004) takes a look at the next generation as one of the focal points of the individual level of analysis. She summarizes that the field has focused firstly on desirable attributes of the successor from the point of view of the incumbent, secondly on performance enhancing factors and lastly on reasons to pursue a career within the family business (Eckrich & Loughead, 1996; Sharma & Irving, 2005; Stavrou, 1998). Of these three directions, only the last one assumes the point of view of the successor. The studies referenced will be looked at in more detail in the subsequent analysis. Reviewing family business literature about succession in particular, Brockhaus (2004) identifies five main lines of inquiry concerning succession of which two focus on the successor. He summarizes evidence on selection and development of the successor. As the chosen terms “selection” and “development” suggest, the main body of research focuses on the point of view of the family and the incumbent and how the successor should be trained and selected in order to assure a successful succession process. Succession can be considered successful “if and when:

1. *Both generations feel that the younger generation has made significant contributions to the business.*
2. *They either passed the baton or made a good decision to sell the business, in which case they worked together to maximize its value.*
3. *The process of getting there was personally rewarding for them, individually as well as collectively.*
4. *There were no serious personal casualties along the way” (Kaye, 1996, p. 356).*

Long and Chrisman (2014), reviewing research about management succession of family businesses, summarize the state of knowledge on successor attributes. The importance of work experience in the family business to acquire strategi-

cally important skills is stressed (Barach & Ganitsky, 1995; Cabrera-Suarez, Saa-Perez, & Garcia-Almeida, 2001; Goldberg & Wooldridge, 1993) as well as the need for external work experience to develop credibility and self-confidence (Barach & Ganitsky, 1995; Goldberg & Wooldridge, 1993). Incumbents rate integrity and commitment to the business above all others, even competency, as the most desirable attributes of a successor (Chrisman et al., 1998). Due to its importance, as identified in previous research (Barach & Ganitsky, 1995; Chrisman et al., 1998; Sharma et al., 2001), and the unique perspective offered, successor commitment will be explored in more detail later in this chapter. Taking a closer look at incumbent intentions to choose the next CEO from within the family or not, Basco & Calabrò (unpublished) came to the conclusion that attributes related to family standing (birth order, gender, blood relation, and current ownership participation) increase the likelihood of nominating a family member as next family business CEO, while attributes related to managerial competence decrease it. This means that the more important managerial competence is to the incumbent, the more likely he or she will be to select a non-family CEO as next family business leader.

Contrary to expectations, Chrisman et al. (1998) found that incumbents asked to rank characteristics did not consider gender and birth order as important as some other characteristics for successor selection. Evidence on female succession accumulated over the last 30 years suggests, however, that gender has played a role in successor selection. The principle of primogeniture, dictating that the oldest son has to succeed the father, has undoubtedly been the major influence on successor selection in the past but has become less automatic today (Humphreys, 2013). Using this heuristic served as a means to not have to choose between children and was meant to reduce sibling rivalry as the “rules of the game” were known from the start (Simon, 2005). In her article, Barnes (1988) concludes that incumbents might select the oldest son as successor in order to avoid conflict resulting from incongruent hierarchies within the family and the business. This has been proposed to happen when daughters or younger brothers are chosen as successor above older siblings. Francis states that “[p]rimogeniture continues to dominate the value system of family businesses; a son is expected to join the business, but a daughter is given a choice – or not invited – as a matter of course” (1999, p. xv). Primogeniture excluded women as potential successors for much of the past (Cole, 1997; Vera & Dean, 2005). A number of works examine the influence of gender on successor selection and the exclusion of daughters in particular (Kessler Overbeke, Bilimoria, & Perelli, 2013; Wang, 2010). One study did not report a preference for the oldest son as successor but rather a general preference for the oldest child irrespective of gender (Vera & Dean, 2005). Pressure on the first-born son is often high and therefore the rule of primogeniture does and

did not only influence the succession experience of women but also of male family business offspring. Therefore, the position in the birth order of the children and the gender of potential successors is a factor that impacts all successors (Haubl & Daser, 2006) and will be considered as an important successor characteristic in the current study.

Much of the literature on succession is based either on the experience of male successors, often due to the small number of female successors, or it has ignored the issue of gender altogether (Hamilton, 2006; Heinonen & Hytti, 2011). Dumas (1989) pointed out that simply omitting gender references in succession research does not make it gender neutral but is merely cosmetic. The current study will respond to the above criticism by investigating male and female succession simultaneously while carefully monitoring for gender differences.

In the past, research on family business succession has often been based on the experience of male successors only or did not monitor at all for gender differences when women were included in the sample. Contrary to the general research about succession referred to above, research on female succession has taken an in-depth look at the succession experience of the female successor. In order to tap into the knowledge gained in this small body of study, the state of knowledge concerning female successors will be examined in detail in the following section before other successor characteristics are considered.

2.1.1 Successor gender

Before evidence from the family business literature is considered, it is deemed important to define the term “gender” as it will be understood for the purpose of the current analysis. The term “gender” was introduced by feminist scholars to differentiate between the biological sex of a person as determined by the human body and the socially constructed sex (Acker, 1990). Literature investigating the role of women in family businesses uses the term gender but makes little or no reference to feminist theory. In short, there are three types of feminist theory; the first is liberal feminist theory, which generally assumes men and women to be similar. The second type is radical feminist theory which sees men and women as different and thirdly there is poststructuralist feminist theory which sees men and women as neither the same nor different but focuses on the construction of masculinity and femininity as concepts (Harding, 1987). The current study assumes a liberal position assuming that male and female successors are similar. The succession decision process will be experienced in a similar fashion albeit possibly influenced by different factors.

Recent literature reviews reported research on women in family businesses as fragmented, inconclusive (Martinez Jimenez, 2009; Vera & Dean, 2005) and

unsystematic (Sharma, 2004; Wang, 2010). This could be explained by the fact that the field seeks to combine research about female succession undertaken in different cultures and in different decades. The role of women in society has changed considerably in the last 60 years. This is applicable to the German context, the focus of the current study, as well as the North American context, the origin of much of the published research. However, the change in these two cultural spheres has followed very different paths due to political and societal factors (Feree, 2012). Difficulties in translating findings from previous decades as well as different cultures may be one of the reasons why the field presents such a non-uniform picture. The origin of findings and the time they originated should be reflected on when reporting inconclusive findings. The current study will focus on the experience of successors having experienced succession in the German context. The issue of women in family businesses is closely connected to the larger environment concerning the position of women in society and the historical development of this position.

A recent study by Schweinsberg and Thorborg (2010) investigating the role of women in leadership positions of German family-owned companies found that 25 % of the participating companies had women at the top of their management team. The number of women in top management was found to decrease as the size of the family business increased. As the number of members in the top management increases, the number of women was also found to increase indicating a prevalence of women in mixed management teams. The majority of women in top positions included in this study entered the leadership position after 1995. Of those women, 38 % were reported to hold positions in active management, 23 % reported occupying a family management position and 17 % hold functions on supervisory boards (Schweinsberg & Thorborg, 2010). Women remain underrepresented on supervisory boards and executive committees today in family businesses and non-family businesses alike (McKinsey & Company, 2012). The percentage of women on the executive committees (Vorstände) of the 200 companies with the largest turnover in Germany remained unchanged in 2013 at around 4 %. Concerning supervisory boards (Aufsichtsräte), the percentage increased by around 2 percentage points to 15 % in 2013. In companies listed on the DAX (Deutscher Aktienindex), a mere 12 out of 191 executive committee seats are currently held by women. This corresponds to a decrease of 1.5 percentage points compared to 2012 and is equal to 6.3 % overall. In DAX companies, 21.9 % of supervisory board positions are held by women which corresponds to an increase of 1.5 percentage points from the year before. Only one of these boards is led by a woman, incidentally, a family-owned business called Henkel (Manager Magazin Online, 2014). In a Europe-wide comparison, Germany shows one of the lowest percentages of women on exec-

utive committees despite a relatively high employment rate of German women (McKinsey & Company, 2012).

In the Canadian context, it was found that compared to non-family businesses, daughters of CEOs seem to have privileged access to a career in the family business even when sons were available (Dumas, 1998).

There are no conclusive empirical findings to substantiate the above stated claim for German family businesses. When women are found on corporate boards they are often alone or in the minority. The influence that diversity on the board can have on the firm if the women are considered only token has been questioned. One body of research based on Norwegian data found that when the number of women reaches the critical mass of three it can enhance the level of innovation observable in the firm. The authors conclude that women can not only influence the workings of the board but also make a real contribution if they reach critical mass in terms of numbers (Torchia, Calabrò, & Huse, 2011). These findings show that the inclusion of women in corporate boards can make a contribution to the company as a whole if they are included in large enough numbers. This is of relevance for the current study as female successors are most often on their own also when included in the governance body of their family business.

Studying the issue of women in family businesses can be connected to findings about women in the larger context of the workplace as was done above as well as to the topic of family businesses in general. Allocating the topic of women within the wider family business research field, as mapped by Yu et al. (2011), shows that the role of female family members is not located within the succession cluster but rather within the cluster of *family business roles* at the outer edge of the family quadrant. This is an indication that the topic of women in the family business, including female successors, is not generally considered a business issue but rather a family issue. Yu (2013) states that “in terms of research [...] the role of [...] female family members remain understudied and are still missing” (p.20). The current subsection will summarize the most important findings concerning female family business succession and female successors.

Preference rules such as primogeniture cluster offspring into one of two categories: potential successors and those who are invisible (García-Álvarez, López-Sintas, & Gonzalvo, 2002). The concept of invisibility has been an important one in the literature on female succession. Female candidates have often been overlooked by their families and researchers alike (Nelton, 1998). Dumas (1992) concludes that this oversight makes daughters an untapped resource for the family business. Female offspring were taken into account as potential successors primarily when all children were female, when they were the oldest child or in emergencies (Curimbaba, 2002; Dumas, 1989; Kessler Overbeke et al., 2013). It appears that female offspring of business-owning families are *invisible*

as potential successors to others as well as themselves. It was found that women felt invisible especially to the outside world and the business associates in it (Cole, 1997). The role of the *invisible woman* is a role that, if adopted by the daughter, means that she is not considered as a potential successor (Hollander & Bukowitz, 1990). It has been proposed that a father may develop this “blind spot” concerning his daughter either due to family cultural values or in an attempt to protect the daughter from the hardship of a leadership position. The only way out of this role would be self-promotion, which in turn places the daughters in a “double-bind” as that is seen as “unwomanly” behaviour. Dumas (1989) proposed that the problem of invisibility is embedded in societal and familial norms, which were difficult to overcome, but as more women began entering the work force in 1989 when the study was published, this bias appeared to be changing slowly. A study from Turkey found that many women face the difficulty of being invisible in their function to the outside world if not to the family (Karatas-Ozkan, Erdogan, & Nicolopoulou, 2011) even today but in a different cultural setting, namely a Turkish research setting, than Dumas earlier study.

Daughters often remain invisible as successors until a crisis or emergency occurs (Dumas et al., 1995; Dumas, 1989, 1992). An emergency situation appears to offer access to women into leadership roles within the family business (Curimbaba, 2002; Day, 2008). This seems to lead to situations in which daughters are often not prepared for the tasks demanded of them by succession (Dumas, 1990).

In cases in which a female member of the business-owning family assumes the role of successor, it was found that daughters could experience problems in establishing a sense of identity (Salganicoff, 1990a) and gaining autonomy due to the fact that the role as caretaker of the father leads to insufficient structuring of identity formation (Dumas, 1989). The sense of identity of the female successor was often generated by taking care of the father as well as the business. In addition to this observed lack of identity formation, a number of studies report that female successors experience role conflict and role ambiguity between the family and the business role (Dumas, 1992; Karatas-Ozkan et al., 2011). Other studies could not confirm role-conflict in father-daughter succession (Mischel, Iannarelli, & Aniello, 2011; Vera & Dean, 2005). Salganicoff (1990) identifies problems and issues women face in relation to fear of power. Some of the above-mentioned complications might lead to the conclusion that female succession could be potentially harmful to family business success. A recent study conducted in the German context, however, found male and female successors to be equally successful in succession concerning company performance as well as in soft success indicators measured in objective and subjective terms (Moog & Soost, 2013). The gender of the incumbent also seems to play an important role.

One German study found that incumbents prefer successors of the same gender as themselves (Schlömer-Laufen & Kay, 2013).

Female offspring generally had more formal education than their male counterparts. Also, daughters joined the family business later and with more external work experience (García-Álvarez et al., 2002). It was found that concerning external work experience, daughters exhibited the need to go further away from their families than sons (Barrett & Moores, 2009). Mischel, Iannarelli, and Aniello (2011) found that daughters developed fewer skills, spent less time in the business and were encouraged less than their brothers. Daughters with underdeveloped leadership skills experienced family constraints and had no encouragement from the father. Women with no interest in leadership were found to have no identity in the business, found better employment opportunities outside the family business and were dependent on their spouse for financial support (Mischel et al., 2011).

A number of studies have sought to define categories to describe the female successor experience. Curimbaba (2002) groups experiences of women in family businesses as either: invisible, professional or anchor. Each of these groups displays different characteristics and the author states that groupings can change. These roles are described as dynamic, meaning that they can change depending on the family business life cycle and individual factors. Extending this categorization with the *independent entrepreneur* to include women who actively seek to occupy leadership positions, Barrett and Moores (2009) propose five ways to attempt leadership in the family business context. Adding insights from the experience of women from a younger generation (Otten, 2012) identified four female succession types. Looking for commonalities and differences between the different category systems, four larger categories can be built (see Table 1).

| | Curimbaba (2002) | Barrett & Moores (2009) | Otten (2012) |
|------------------|--|---|---|
| Business manager | <i>Professional</i> : the family business is seen as career opportunity. The successor generally has a business background and tends to have central managerial functions within the business. Their personal identity is that of a manager, and they do not see their future career as necessarily tied to the family business. | <i>Coping with shadows</i> illustrates cases where women achieve a leadership position against opposition or in difficult circumstances. | <i>The family business as career move</i> : cases in this category take over the family business because it is the right move for their personal career |
| | <i>Anchor</i> : the female successor spontaneously joins the family business when the need arises. They will occupy any function that has to be filled and perceive the involvement as their responsibility. Their career has been tailored to the business, and they see themselves as entrepreneurs. Women in this category see the family firm as the ultimate destination of their career. | <i>No equivalent</i> | <i>The daughter as the chosen successor... if she wants to</i> : cases allocated to this category become involved in the family business as they always knew they were destined to. |
| Emergency | <i>No equivalent</i> | <i>Stumbling into the spotlight</i> describes the experience of women who unexpectedly find themselves in a leadership position in the family firm. | <p><i>Taking over in a crisis – call to duty</i>: Women in this category take over in a crisis situation with support from their family. They feel obligated to come to the rescue.</p> <p><i>Taking over in a crisis – against the odds</i>: includes cases in which daughters take on the family business in a crisis situation despite resistance.</p> |

(Continued)

| | Curimbaba (2002) | Barrett & Moores (2009) | Otten (2012) |
|------------------|---|---|---------------|
| Invisible player | <i>Invisible</i> : the female successor joined the family business because they were in need of a job. Their university education was not business oriented and they generally provide a support function when joining the business. The main focus is on the personal life and the flexibility the position offers is seen as the main reward. The personal identity is that of an heir rather than a manager or entrepreneur. | <i>Directing the spotlight elsewhere</i> depicts those cases where women lead a family business by appearing not to. <i>Becoming invisible</i> , applies to those women who do not achieve a leadership position in the family business despite earlier hopes. | No equivalent |
| Entrepreneur | No equivalent | <i>Building their own stage</i> describes the pathway of women who, despite a family business background, are either excluded or opt out of the family business to start their own business. | No equivalent |

Table 1: Overview of female succession types. Source: the author based on studies cited

Five of the twelve proposed categories were grouped together under the label *business manager*. All of them have in common that the female succession types in these categories take an active role in their family business. Two of the three studies found cases in which the female successor joined the family business in an *emergency* situation. The female successor as *invisible* was found as a category in two out of the three studies. Only one study included successors who started up their own company as *entrepreneur* outside the family business as a category in female succession. It was found that family businesses can offer women job security and a way into traditionally male-dominated industries (Salganicoff, 1990a). The focus of the current study will lie on the first two rather than the last two categories previously identified.

The summary of findings provided in Table 1 concerning female succession types illustrates that there are a number of ways successors find their way into

the family business. Logically, when the entry of a successor is planned, there are three entry options into the business (Hugron, 1991 in Dumas et al., 1995, p. 103). The successor starts at the bottom of the hierarchy and works his/her way up the ranks, start directly in a management position or takes on special projects to prove his/her worth without being able to cause too much damage in the family business. This is true for male and female successors alike. The three different ways into the family business suggest that there are different ways in which family business offspring can develop into the role of the successor.

The previous section outlines the most important issues identified by research about female family business succession. The findings reported show how fragmented knowledge in the field is. For a male or female family business offspring to emerge as successor a number of issues have been found to be of relevance. In the following section the state of knowledge concerning what here will be called “successor emergence” will be reviewed. When literature about gender differences pertinent to these characteristics is available, it will be pointed out throughout the remainder of the background section.

2.1.2 Successor emergence

Some male or female successors may be born the designated successor of their family business. When this is not the case, the family business offspring needs to grow and develop in order to emerge as candidate for the role of the successor. The current section will follow the order of development of the successor covering socialization, succession intentions, career development, competence as well as external work experience.

The way family offspring perceive the occupation of the incumbent during their childhood and socialization period has been found to be important for the later succession process (Cabrera-Suarez et al., 2001). The way various members see the family business and their own potential role within it has been shown to be connected to the socialization process within the business-owning family. Socialization can be defined as “the inculcation of the skills and attitudes necessary for playing given social roles” (Mayer, 1970). Family business literature proposed that socialization into the family business family should be started early to promote an interest in the family business among potential successors (Longenecker & Schoen, 1978). According to García-Álvarez et al. (2002) the socialization process within the family business can be subdivided into primary and secondary phases. The study identified two models of socialization. The “founder homosocial reproduction model” was deduced from cases in which the potential successor was the only child or the oldest offspring. The “new leader development model” was inferred from cases characterised by a late entry of the

offspring into the family business, most commonly found in younger siblings and daughters. The following additional insights were gained concerning the relationship with the incumbent and the socialization process: Hearing their parents complain about the family business and their occupation may have a negative impact on successors' willingness to join the family business (Ward, 1987). Furthermore, an incumbent's failure to communicate his or her wishes to the intended successor may negatively impact successor intentions (Ward, 1987) as he or she might not perceive succession as an option. A lack of confidence in the successor's abilities can also have a harmful effect (Birley, 1986). Parental expectations will be covered later in more detail. The incumbent and the successor do form their relationship within the wider context of the family and the relationship map with other family members.

Lubinski (2011) investigated *anticipatory socialization*, which presupposes that socialisation in business-owning families occurs with the family business in mind. Collins, Tucker, & Pierce (2012 in Collins et al., 2012) found that anticipatory socialization is most relevant for family business succession. In this stage, individuals rehearse for social relationships and future positions within the family business. The most important issues identified are "risk & insecurity" and "financial management", which are often displayed in outside work experience. The authors conclude that at this stage of their study, they could not find a difference in family socialization between daughters and sons, but rather a social and cultural difference. Traditional gender bias exhibited during childhood can alienate daughters and lead to a loss of their leadership opportunities (Galiano & Vinturella, 1995). García-Álvarez et al. (2002) could not find a difference in value content transmitted in the socialization process based on successor gender. Mischel et al. (2011) examine gender socialization in family businesses in order to shed light on the process in a special context that combines family and work in a unique way. They found that daughters developed fewer skills, spent less time in the business and were encouraged less than their brothers. Women who showed an interest in a leadership position were found in constellations where the brother was not a strong leader, when the daughter had no family responsibilities of her own and was asked by her father to join. Daughters with underdeveloped leadership skills experienced family constraints and had no encouragement from the father. Women with no interest in leadership were found to have no identity in the business, found better employment opportunities outside the family business and were dependent on their spouse for financial support. Many of the women interviewed work as a team with their brothers. Little role conflict was observed, which might be due to the lingering presence of the founder father.

One school of study focuses on the succession intentions of potential successors (Prügl & Hauck, 2013; Schroder, Schmitt-Rodermund, & Arnaud, 2011;

Zellweger, Sieger, & Englisch, 2012; Zellweger, Sieger, & Halter, 2011). The aim of these studies is to build models that will help the family business and the incumbents predict if a certain individual is likely to be available as potential successor. The focus lies again on the interests of the family business and not on those of the successor. The current study will investigate how successors describe the experience of becoming the successor and when the decision, if it is experienced as such, is taken. This differs from studies investigating succession intentions insofar as it takes a look at the succession decision in retrospect rather than the succession intention of family business offspring in early adulthood as students. The intention expressed by the subjects and the actual decision to become the successor or not cannot be connected in succession intention studies.

Little to no previous literature exists on the career development of adolescents in businesses-owning families despite the fact that “it is critical to better understand their career decision-making process” (Eckrich & Loughead, 1996, p. 370). One of the few studies investigating career development of family business successors by Eckrich and Loughead (1996) assumes that patterns of career development exhibited by family business children are unique. In the study, 66 out of 248 participants had a family business background. A surprisingly high percentage of the sample was female (63.7 %), with no marked differences between the family business and a non-family business group. A differentiated analysis of male and female participants is indicated as an opportunity for future inquiry since the separation process from the parents has been found to differ for men and women (Hoffman, 1984). It is therefore felt that a closer look at the differences between sons and daughters of family businesses in the succession decision process is a promising avenue for future research. The study found that adolescents with a family business background exhibit slightly less vocational identity development than those from a non-family business background. This might be due to the fact that the development of vocational identity can be thwarted in enmeshed families. Vocational identity signifies “the possession of a clear and stable picture of one’s goals, interests, personality, and talents” (p. 371). There was no apparent difference in psychological separation from the parents between children with family and without family business backgrounds. Career development theory suggests that families in which independence is perceived as a threat to the family might discourage psychological separation of the children. This might inhibit independent career decision making (Blustein, Walbridge, Friedlander, & Palladino, 1991). Failure to arrive at psychological separation might lead to failure when executing a career choice. This does not seem to be the case in family business settings. The findings suggest that a family business background does indeed impact the career development process. Paternal pressure to join the firm was also found to correlate

significantly with perceived distress at not joining the firm. Parental pressure to take over the family business may create resentment towards the family or the family business and, therefore, have the opposite effect than the one intended (Goldberg & Wooldridge, 1993). Additionally, adolescents with a family business background show a tendency to commit to career choices. Over-involvement might be linked to greater commitment to the family business. The inability to commit to a career path might direct them towards the family business by default. Birth order may exert a strong influence on the succession decision, but could not be assessed with the data collected. "For family business children, the decrease in vocational commitment that was observed as parental over-involvement, increased suggested identity development difficulties which made commitment to career more difficult" (Eckrich & Loughhead, 1996, p. 383). Successor commitment is a concept referred to repeatedly in the succession literature, and it will therefore be looked at in detail in the subsequent subsection of this chapter.

Research on successors found that competence is also a critical attribute for successor choice (Lansberg & Astrachan, 1994). Competence can be gained and displayed through outside work experience. It has been ascertained that competence furthers personal development and positively influences later contributions to the family business (Barach & Ganitsky, 1995; Nelton, 1998; Sardeshmukh & Corbett, 2011). It can serve successors to discover interests and to gain self-confidence as well as credibility upon entry in the family business (Goldberg & Wooldridge, 1993). Which and how much outside work experience can be gained is dependent among other things on the age constellation between the successor and the incumbent. The larger the gap, the shorter the time the successor generally has to gain experience before joining the family business. Work experience in the family business can be seen as an opportunity for future career moves (Ward, 1987). Potential successors' interest in becoming involved in the family business is strongly dependent on the alternative opportunities available to them (Stavrou, 1998). A successor who has other options available to him/her (or not) has different decisions to make regarding the entry into the family business.

Successor emergence can be closely linked to the concept of successor commitment; insofar as the individual develops into the role of successor, the link with the family business and the emotional connection will also evolve. The concept of successor commitment and its treatment in the family business literature will be examined closely now.

2.1.3 Successor commitment

Commitment is referred to repeatedly in the succession literature as a desirable characteristic in family business successors (for example Chrisman et al., 1998; Eckrich & Loughhead, 1996). In many instances it is treated as uni-dimensional concept insofar as a successor either possesses commitment or does not. However, there is strong support for the position that commitment needs to be treated as a multi-dimensional concept (Sharma & Irving, 2005). Commitment has been identified as one crucial factor in the literature on successful succession because it has been shown that committed successors are more likely to choose a path in the family business, are more satisfied with the process of succession and are more cooperative during the leadership transition (Dyck, Mauws, Starke, & Mischke, 2002). Due to its importance, it has been proposed that “[f]urther, investigations into the possible bases for commitment and attitudinal changes over time are needed” (Long & Chrisman, 2014, p. 254). The aim of the current section is to introduce the state of knowledge concerning the multi-dimensional concept of successor commitment, show how it is related to the succession decision and outline how it will be treated in the subsequent analysis.

Commitment is a concept developed in the context of organizational studies related to employee commitment. A large body of research investigating the concept of workplace commitment exists (for an overview see Cohen, 2008). Commitment has been defined as “a force that binds an individual to a course of action of relevance for one or more targets” (Meyer & Herscovitch, 2001, p. 301). This force can be experienced as a psychological state or frame of mind. It has been shown that commitment can influence behaviour in such a way that a certain course of action might be followed despite conflicting attitudes and motives. Research in this area has been undertaken to understand underlying dynamics and to predict behaviour of employees (Meyer & Herscovitch, 2001). According to the model proposed by Meyer and Herscovitch (2001) there are three commitment mind-sets or bases to be found in the workplace: *desire* (affective commitment), *obligation* (normative commitment) and *cost-avoidance* (continuance commitment). The theory proposes that commitment will lead to focal behaviour relevant to a defined target, which is the focus of the commitment, and potentially to discretionary behaviour, i.e. behaviour above and beyond the call of duty. Measurements to assess commitment in the work context have been developed and verified (for example Blau & Holladay, 2006; Jaros, 2007; Meyer & Allen, 1991; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Wasti, 2002, 2003). Introducing and adapting insights about organizational commitment into family businesses succession research, Sharma and Irving (2005) proposed a theoretical model of successor commitment. Assuming that all other factors having a bearing on successor performance remain the

same, Sharma and Irving (2005) explore theoretically what impact each type of commitment would have. They test their theory against cases cited in other studies analysing succession not against own empirical data.

In the family business context, the definition of successor commitment can be read as follows: commitment is “the frame of mind that binds the successor to pursue a career in the family business”. The family business is the *target* of the successors’ action; the pursuit of a career within said business is the *focal behaviour*. Building on Meyer and Herscovitch (2001), Sharma and Irving (2005) proposed four specific types of successor commitment, instead of the previously proposed three (see Figure 1).

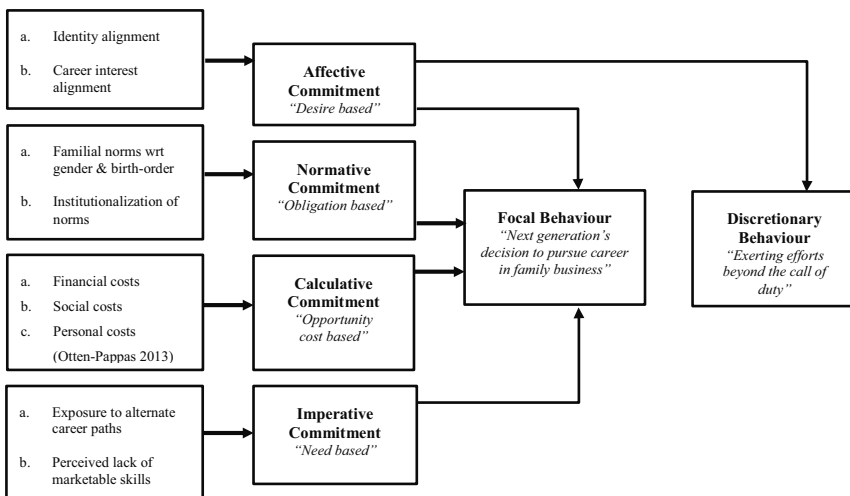


Figure 1: The four bases of successor commitment.

Source: adapted from Sharma & Irving (2005 p. 20) and Otten-Pappas (2013)

More specifically, within the particular context of family business, Sharma and Irving (2005) supported the basis of continuance commitment, but distinguished two differentiated types of this construct: *calculative* and *imperative* commitment.

Each of the four commitment type is associated with a different set of antecedents leading to an identical outcome: succession to the family business. For each type of commitment they identified antecedents (or preceding condition) indicating a certain type of commitment. In addition, the authors hypothesized that commitment types can coexist. Each of the four commitment types will now be looked at in detail.

Affective commitment is based on strong identification with the family business leading to a desire to pursue a career within it. The successor would be

described as “wanting” to pursue a career in the family business. It is desire-based and has been linked to the confidence to be able to contribute to the success of the business as well as a desire to satisfy personal career ambitions. This is the type of commitment generally referred to as desirable in a successor within the family business literature when it is treated as a uni-dimensional construct. This commitment type in particular is associated with discretionary behaviour defined as efforts exerted above and beyond the call of duty (Meyer & Herscovitch, 2001). They propose that affective commitment is associated with the antecedents *identity alignment* and *career interest alignment*. In the same line of reasoning, it was found that interest in family business and its products, markets, operations and strategies can trigger a desire to join the family business (Birley, 1986). In a quantitative follow-up study, the authors found that successors displaying affective commitment are indeed more like to exhibit *discretionary behaviour* (Dawson, Irving, & Sharma, 2013). Otten-Pappas (2013) observed a general shift towards affective commitment over time for female successors. Organizational commitment literature offers the following explanation for this change pattern. Meyer and Herscovitch’s (2001) state “that any personal or situational variable that contributes to the likelihood that an individual will (a) become involved (intrinsically motivated, absorbed) in a course of action, (b) recognize the value-relevance of association with the entity or pursuit of a course of action, and/or (c) derive his or her identity from association with an entity, or from working towards an objective, will contribute to the development of affective commitment” (p. 316). In the case of family business succession it seems very likely that such conditions as specified above are met by family business successors. Therefore, successors might develop affective commitment owing to their involvement in the business and an increasing appreciation for their association with it. The current study will examine whether a general shift towards affective commitment over time can be found. It has been put forward that over-identification with the family business might also have negative effects on the succession process (Kaye, 1996).

Normative commitment is based on a feeling of obligation to follow a certain course of action. Contrary to affective commitment in which an intrinsic desire is the ‘push-factor’, normative commitment is based on a feeling of loyalty and obligation on the part of the successor or the feeling that he or she ‘ought to’ join or remain in the family business, which works as ‘pull-factor’. Maintaining good relations with the older generations is an important factor in this type of commitment. A sense of normative duty can develop due to an internalization of established family norms regarding gender and birth order transferred through socialization. Primogeniture, for example, is an established norm regarding succession that is of particular importance in the topic of female succession. Among female successors, the presence of this norm can inhibit the develop-

ment of normative commitment. In many parts of the world this norm appears to be out-dated; nevertheless, its influence is still evident in many succession stories today (Martinez Jimenez, 2009; Barnes, 1988). The current study proposes that one crucial factor in the development of normative commitment is that of parental expectations and more importantly expectations the successor has of these parental expectations. Since the current study will not interview the parents of the successors about the actual expectations they had and have concerning their offspring's involvement in the family business, the concept to be investigated will be that of "expectation expectations" (Luhmann, 1995) which, in the current context, denotes the expectations the successor has of these parental expectations (subsequently called EPE). *Theory of mind* describes an individual's ability to attribute mental states to others and to understand that others have beliefs, desires, and intentions that are different from one's own. This understanding of the expectation of others is achieved through self-consciousness which Rochat (2009) defines as "the representation we hold of ourselves through the eyes of others" (Pos. 87). Only through this can the successor form an expectation of the parents' expectations. The current study assumes that it will not be the actual expectations of the parents but rather the expectations of the successor about parental expectations, which will produce the feeling of obligation leading to normative commitment. The above outlined theory will be taken into account when instances of normative commitment and obligation are analysed in the context of the current study. Normative commitment has been proposed to develop "when an individual (a) has internalized a set of norms concerning appropriate conduct (i. e. through socialization), and/or is the recipient of benefits *and* experiences a need to reciprocate" (p.316, Meyer and Herscovitch (2001) based on Meyer & Allen 1991). Socialization within the business-owning family and the parents' attitude towards their offspring's involvement in the family business are important factors. Normative commitment stems from the antecedents *family norms with regard to gender and birth order* and the *institutionalisation of norms*. Otten-Pappas (2013) found that normative commitment was only observed in female successors in a time of crisis or when no other successor was available, corroborating the strong influence of gender norms.

The last two commitment types were both derived from continuance commitment as specified by general commitment theory (Sharma & Irving, 2005). *Calculative commitment* is based on a feeling of "having to" pursue a certain course of action in order to avoid high opportunity costs. Not joining the family business might result in a loss of value or shareholder claim, which is to be avoided by joining the business. According to their model, calculative commitment is based on perceived *financial cost* and *social cost*. Related to this, it was found that the luxurious lifestyle some potential successors enjoy may motivate

them to seek a position within the family business (Frishkoff & Brown, 1993). Otten-Pappas (2013) proposed the inclusion of personal costs in the antecedents as she found that female successors evaluated the loss of personal benefits, such as flexibility related to child care responsibilities, when considering the family business as future career move.

Imperative commitment is based on a feeling of needing to join the business because of a lack of alternative opportunities in other businesses. This is generally associated with self-doubt and a lack of certainty. The family business is perceived as a protected environment that shelters the successor from the outside world. The key difference between calculative and imperative commitment is that in the case of calculative commitment the decision to join the family business was perceived as the 'best' available option, whereas in the case of imperative commitment it was seen as the 'only' available option. The last commitment type, imperative commitment, follows the *exposure to alternative career paths* and a *perceived lack of marketable skills*. In a study analysing commitment of female successors, no cases of imperative commitment were found (Otten-Pappas, 2013). The longer a successor works in the family business, the less likely his chances in the employment market become. The successor might become trapped in the family business (Kaye, 1996). Little is known about imperative commitment, so the current study will pay close attention to instances of imperative commitment in order to enrich the knowledge base on this topic.

In 1993 Carol Gilligan wrote that "[i]t seems obvious [...] that differences in the body, in family relationships, and in societal and cultural position would make a difference psychologically" (Gilligan, 1993, p. xi). Such psychological differences between male and female successors are expected to also manifest in successor commitment, which is closely linked to the personality of the successor. Looking at the particular case of female successor commitment, Otten-Pappas (2013) used the multidimensional successor commitment model by Sharma and Irving (2005) to examine to what extent female successor commitment displays particular characteristics. The findings of this study are based on data from female successors only. Studies focusing on one of the genders do not permit generalization about both genders, and therefore offer limited insights. The current study will seek to remedy this by taking a close look at successor commitment while paying careful attention to aspects of gender.

Sharma and Irving (2005) hypothesized that a change in antecedent can be inferred as change in commitment type. They suggest a temporal dimension to their model without hypothesizing about patterns of change. Otten-Pappas (2013) did indeed find antecedents and therefore commitment to change over time. The current study will assess commitment type at three different points in time during the succession decision process in order to determine if patterns of

change such as a general shift towards affective commitment found by Otten-Pappas (2013) for female successors holds true for the current sample, including male successors. Firstly, early commitment developed during childhood and adolescence will be inferred from the interview data describing the relationship to the family business during that time. Secondly, joining commitment will be determined based on the reasons given for the move into the family business. In some cases this is identical to succession commitment when the decision to join the family business takes place at the same time as the succession decision. Thirdly, current commitment at the point of time of the interview will be inferred from the information provided about the current situation and relation between the successor and the family business.

The first part of the literature review has investigated the successor, successor gender, successor development and successor commitment in detail. In the following section, the succession decision process will be reviewed and connected to career decision research before factors influencing the process are considered.

2.2 Succession as career decision process?

Succession has been described as “a significant moment in a family business’s life” (Brockhaus, 2004, p. 165). From the perspective of the family business, succession can be considered a significant event during which leadership is transferred from the incumbent to the successor. From the perspective of the successor, succession is more than a “significant moment”. It is a process potentially spanning many years in the successor’s life, and it might be argued, one of the most influential aspects of his or her life as it entails the career decision of the successor as an individual. In the following section, knowledge about succession as well as the career decision making process established in the literature will be reviewed. Insights from both bodies of research will be combined to develop a stage model of succession as a career decision process to be used in the subsequent analysis.

2.2.1 Family business succession as process

Some studies have sought to understand succession in family businesses by building models outlining the different stages making up the succession process (for example Groth, Rösen, & von Schlippe, 2013; Le Breton-Miller et al., 2004; Longenecker & Schoen, 1978; McGivern, 1989; Stavrou, 1998). Most of these have taken the perspective of the family business by analysing the steps the

business and the incumbent need to take in order to nurture characteristics first and identify and select the best successor subsequently (Bau, Hellerstedt, Nordqvist, & Wennberg, 2013; Gilding et al., 2013; Lansberg & Astrachan, 1994; Sharma, Chrisman, & Chua, 2003a, 2003b). The aim of the following section is to review a selection of models that have previously been proposed to describe the family business succession process and derive from them the elements to be included in the model to be constructed (see Figure 2 for visual comparison).

One of the early models seeking to describe the family succession process was developed by McGivern (1989). This model was selected to be presented here as it offers a basic and clear view of the succession process, which will be contrasted with more complex models. This basic model is applicable to internal and external family succession, and it was developed mainly as a diagnostic tool. The model proposes that family business succession has a mere three stages. The first stage, *before succession*, begins when the incumbent becomes aware of the need for a successor to be chosen in the foreseeable future. The second stage, *during succession*, encompasses the time frame during which the succession process is defined, the successor is chosen, and he or she as well as the company are prepared for the change of power. The third stage, *after succession*, starts once the handover of power has taken place and the new business leader is establishing himself in the company.

Another model to be presented here also dividing the succession process into three phases was proposed by Handler (1991). The first stage encompasses the *personal development before active involvement in the business*. The second stage is described as *business involvement*, followed by the last stage called *leadership succession*. The last two stages correspond to the *during succession* phase of the previous model. This model does not provide for the *after succession* phase. Personal development is considered to take place in the *before succession* phase. This model was chosen because it takes the point of view of the successor. The current study argues that personal development continues during the following two stages. Furthermore, the model assumes that business involvement and leadership succession are two distinct phases, which is not necessarily the case, as some successors enter the family business in a leadership capacity. Contrasting the two first models shows that despite the fact that both are composed of only three stages, they differ because they take different perspectives. Comparing both models offers interesting insights into the complexity of the succession process.

The last model to be described by Stavrou (1998) also takes the point of view of the successor and in addition places an emphasis on the decision process. The model focuses on the successor's decision process and the factors in it. The succession process is divided into four stages. The first stage of the succession process as depicted by Stavrou (1998) is the *pre-entry stage* that lasts roughly

until the age of 18. The second stage is the *decision process* that was found to take place between 18 and 28. Following the decision stage, comes the *entry stage* in which the successor joins the family business starting around the age of 28. The last stage is the *succession stage*, which is understood to start once the successor takes a leadership role in the family business. The factors constituting the main focus of the study and which can be allocated to one of four areas, notably business, family, market and personal, will be discussed in a later section of this thesis when factors are investigated in detail. Despite the fact that it is the only model to introduce the succession decision process of the successor in the process, it does not describe the decision process itself and possible stages of this decision process in any depth. The current study will take a close look at the succession decision itself.

Comparing the three above proposed models of family business succession to gain insights to be used as a basis for a model of the succession decision process, the following picture emerges (see Figure 2 for a visual comparison). All three models have in common that they assume succession to start before the actual entry into the family business takes place. Therefore the current study will also assume that the succession decision starts early during the development of the successor. Particular attention will need to be paid to the *pre-entry* or *before succession stage* of the succession decision process.

The *decision process stage* itself as proposed by Stavrou (1998) is completed once the *entry stage* has begun. The current study does not concur with this view but rather it assumes that the decision whether or not to become the successor can still be ongoing after joining the family business during the *business involvement* and/or *leadership succession stages* proposed by Handler (1991).

The model proposed by Mc Givern (1989) is the only model that includes an *after succession stage*. It remains unclear when the succession process is considered to have been completed by any of the three models. Contrary to the succession process, the decision to become the successor will be considered to have been completed when a successor has actually taken the decision to become the successor of his or her family business. Therefore it will be included as the final sub-stage of the succession decision model.

Based on the current knowledge base about family business succession, the preliminary succession decision model is composed of two main stages (see Figure 3). The first main stage, here termed the *pre-succession decision stage* is, intended to capture those steps in the succession decision process which precede the actual succession decision. The second stage is called the *succession decision stage*. It included all those decision steps making up the succession decision itself. This stage will be considered concluded when the last substage is completed i. e. the decision to become the successor in the family business has been

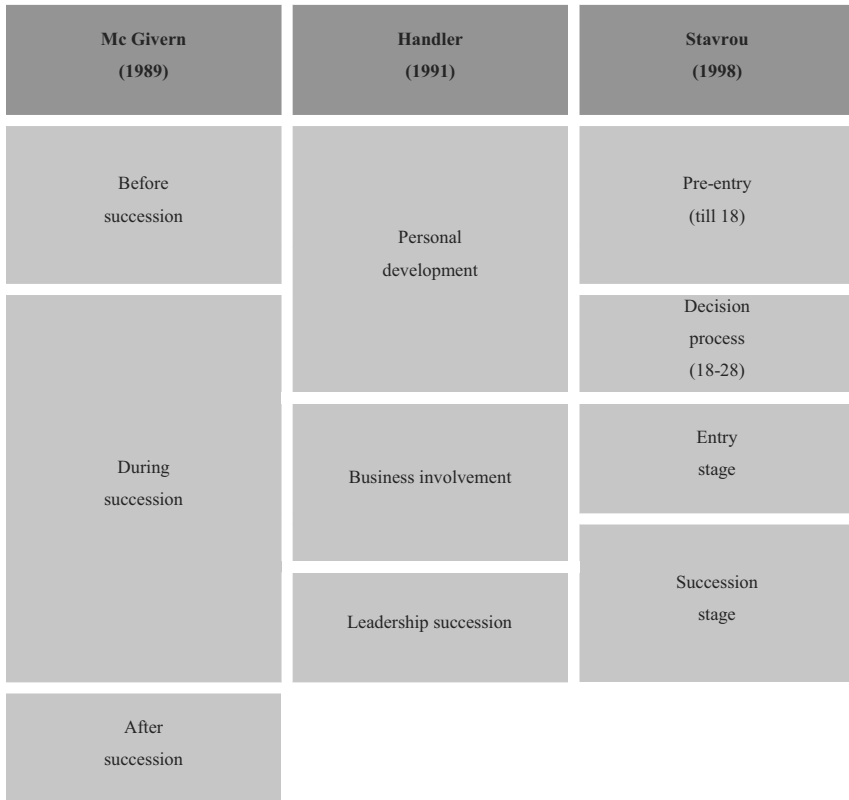


Figure 2: Comparison of the stages of succession proposed by different theories. Source: developed by the author based on texts by McGivern (1989); Handler (1991); Stavrou (1998)

taken. Further substages indicated by a question mark remain unspecified as this point.

The above proposed preliminary model will now be developed further through the inclusion of career development theory. As it was pointed out in the beginning of this section, the succession process also includes the career development process of the successor because the decision to take on the leadership role within the family business is at the same the time the successor’s career decision. The subsequent section will review literature about career development and models proposed to describe the career decision process. Finally, the insights gained will be combined in order to propose the final model for the succession decision process to be employed in the following analysis.

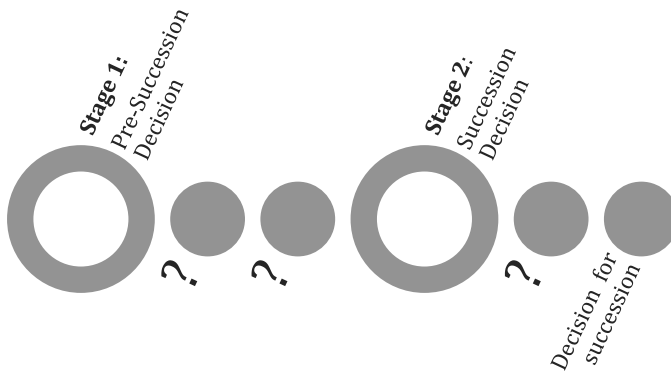


Figure 3: Preliminary succession decision process model

2.2.2 Career development process

Career development theory emerged from vocational guidance counselling, which is focused on assisting people in finding satisfaction in their careers. It is based on and part of the behavioural sciences. Career can be defined as “the sequence of major positions occupied by a person throughout his pre-occupational, occupational and post-occupational activities; includes work related roles [...] together with complementary vocational, familial and civil roles” (Super, 1976). It is observable in this definition, that career is related to time and takes into account the context in which it develops. Further, career is the development of vocational behaviour over time which can be subdivided into stages. The personal reflection of a person on her vocational behaviour is understood as the career.

A plethora of theories seeks to explain and describe how a person’s career unfolds (for an overview see Leung, 2008). The earlier theories focus on content whereas later theories have focused on the developmental process. Theories concentrating on the content of career development are defined as those describing “influences on career development which are either intrinsic to the individuals themselves or emanate from within the context in which the individual lives” (Patton & McMahon, 2006a, p. 9). These include the earlier trait and factor theories by Parsons (1909) and Holland (1996) for example¹.

The main aim of these theories is to identify personal characteristics within an individual and match these to a certain profession, which in turn should lead to satisfaction in career choice. These theories are practice oriented and intended to improve career counselling. One of the underlying principles is that of career

¹ See Patton & McMahon (2006) for a complete review of theories.

satisfaction. Most theories describing content describe the way things should be, based on a certain assumption about how the world should be in order to help a person achieve career satisfaction. Career development process theories focus on change over time and interaction. These theories generally subdivide the career development process into stages an individual has to complete in order to progress. One of the most influential theories still today (Brown, 2002; Osipow, 1968) is that put forward by Super in 1953 and further developed into the early 1990's (1953, 1973, 1976, 1980, 1990, 1992, 1994). Other important theories to be included in this group are those by Ginzberg (1951, 1972, 1984) as well as Gottfredson (2002). These theories seek to understand and adequately describe the developmental stages a person goes through during their lifetime. A more recent and important change in perspective has been to place the individual at the centre of career development (for example Patton & McMahan, 2006a; Savickas, 2002). It takes the stance that there can be no absolute truth but rather that the reality is constructed through an individual's thinking. The individual is understood as a system open to the influences of factors in its environment. Investigating career development as experiences and reported by the individual himself taps into this constructed reality of career development.

Career development is a complex process influenced by many external factors (Patton & McMahan, 2006b). Career development research has endeavoured to understand this complex process by which individuals' careers develop. However, every experience is so unique that theory has struggled to formulate general theories (Patton & McMahan, 2006b). In order to understand and reduce some of the complexity of the process, a number of models mapping the process have been proposed. Two process models have been selected for presentation here for the following reasons. Ginzberg's (1951) model, which will be presented first, was selected because it is one of the earliest process models proposed. The second model proposed by Super (1953, 1976, 1981, 1983) is the most complete model, encompassing the entire lifetime of a person. Once all career development models have been presented, they will be compared and contrasted (see Figure 7 for visual comparison).

Career development theory draws heavily on Erikson (1968) focusing on the development of identity. Erikson proposed eight stages of identity development:

- I. Infancy (Age 0-1)
- II. Early Childhood (Age 2-3)
- III. Play Age (Age 3-6)
- IV. School Age (Age 7-12)
- V. Adolescence (Age 12-18)
- VI. Young Adult (Age 20's)
- VII. Adulthood (Age late 20's-50's)
- VIII. Mature Age (Age 50's and up)

He proposed that an individual needs to overcome a different psychosocial crisis in each developmental stage in order to complete normal development and to progress to the next stage. Ginzberg and colleagues (1951) were the first to propose that the process of career development begins already in the early childhood stage as defined by Erikson. According to Ginzberg's model, career choice is arrived at in early adulthood after going through a *fantasy stage*, a *tentative stage* and a *realistic stage*. In the *fantasy stage*, career aspirations are generally related to the occupational role held by an adult who is known to the child like a parent. The *tentative stage* is further subdivided into the stages of interest, capacity, value and transition, reflecting the maturation process in which choices are made based first on interests and abilities, then in relation to their capacities. Subsequently, the *realistic stage* is further subdivided into *exploration*, *crystallization* and *specification* (see Figure 4) at the end of which the individual arrives at a definite occupational choice and "makes a definite occupational commitment" (Ginzberg, 1972, p. 169).

The career development process was assumed to start in early childhood and finish in adulthood and was understood as irreversible. A choice once made could not be unmade as education and work experience had taken the individual down a certain path that once travelled, provided little opportunity to change course. A later revision of the theory placed less importance on the notion of irreversibility (Ginzberg, 1984). In the context of family businesses it might be argued that irreversibility plays an important role, as once the decision to join and lead the family business has been taken, it cannot simply be unmade. The current study will investigate to what extent this appears to be relevant.

Another highly influential career development theory, was developed by Super (1953, 1976, 1981, 1983). Super's theory can be allocated to the field of vocational psychology and it focuses on the way an individual's work life develops over time (Savickas, 2002). The insights gained from patterns of meaning emerging from an individual's narrative about their autobiography, allows "researchers to recognise the processes that construct and develop an individual's career through the life course. [...it...] takes a longitudinal view of adaptation patterns" (Savickas, 2002). The current studies use of interview data to analyse the career development of successors over time is in line with this understanding of the career developmental process.

Super (1953) identified five periods in a person's career development: *growth*, *exploration*, *establishment*, *maintenance*, and *disengagement*. The goal of each stage was understood to be different, similar to Erikson's (1968) psychosocial crisis to be resolved. A number of developmental tasks have to be completed at each stop in a predetermined order. Otherwise, the theory stipulates that it leads to problems in one of the later stages. Each stage and the tasks to complete them will now be looked at in more detail (a summary can be found in Figure 5).

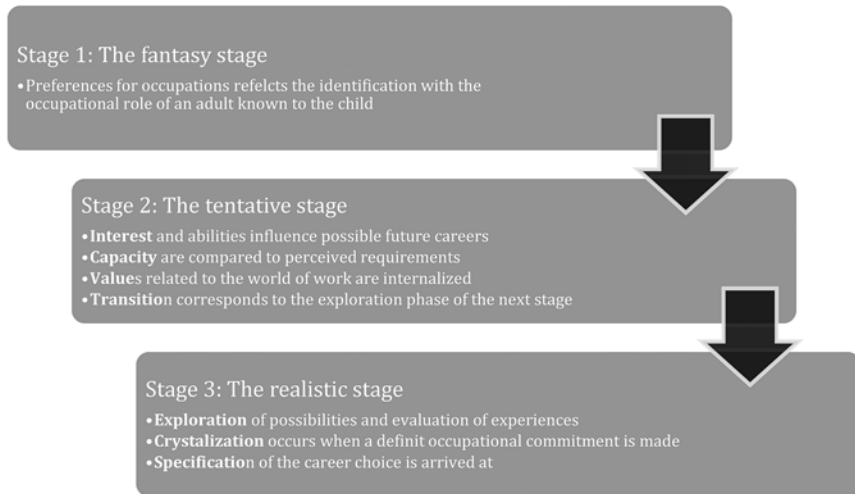


Figure 4: Ginzberg's three stages of career development.

Source: the author based on text by Ginzberg et al. (1951)

The first stage in Super's model is the so-called *growth stage* which takes place approximately between the ages of four and 13. The main task to be completed within this stage is the formation of vocational self-concept. "A self consists of symbolic representations that are personally constructed, inter personally conditioned, and linguistically communicated" (Savickas, 2002). A sense of self develops through the awareness that the self is distinct from other individuals. Through the objectification of the self, the individual develops self-perceptions. A unified and coherent self-concept, which is a collection of self-percepts, is produced during the first years of life of an individual. It develops through reflective self-awareness and its function is to guide, control, and evaluate behaviour. It organises the way an individual interprets new self-percepts. Super (1963) described self-concepts as "picture of the self in some role, situation, or position, performing some set of functions, or in some web of relationships" (p.18). The *vocational self-concept* encompasses all the attributes related to work roles.

Together with this previous stage, the next stage called the *exploration stage* (ages 14–24) of development is known as the vocational exploration period. This is part of the normal process of growing up for children and adolescents. "When development is on schedule, adolescents approach the tasks of the exploration stage with a concern for the future, a sense of control over it, adaptive conceptions about how to make career decisions, and the confidence to engage in designing their occupational future..." (Savickas, 2002). Society expects a person to determine who and what they will become. The three main tasks in this

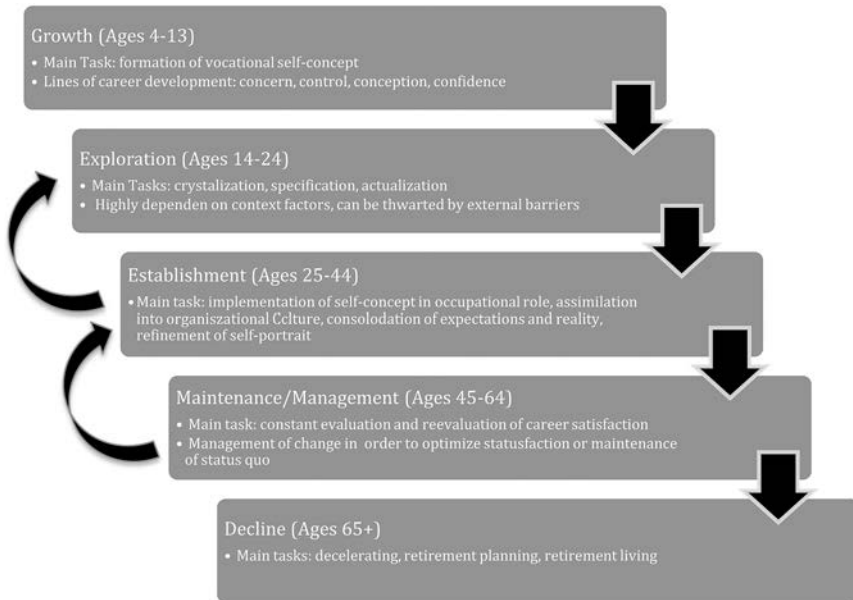


Figure 5: Five stages of the career development process.

Source: the author based on text by Super (1990)

stage are: crystallisation, specification, and actualisation. *Crystallisation* of occupational preferences requires individuals to form ideas of how they fit into society through a process of differentiation. Distinct occupations are allocated on a cognitive map, allowing individuals to interpret the information about different occupations which they have accumulated. Possible future selves are envisioned and preferences for certain occupations are formed. The second task of the *exploration stage* is the *specification* of an occupational choice and showing a commitment towards it. The construction of a story within the larger sociocultural context shows the whole person herself in relation to the world. “The declaration of an occupational choice confirms who we are and wish to become” (Savickas, 2002). The final task called *actualization* requires converting career choice into action. Work experiences allow determining the actual fit between expectations and abilities. This is the most important aspect for coping behaviour exhibited by individuals. Ideally, this step includes developing skills, experimenting, and finally stabilising in a position. External barriers can thwart this development.

In the third stage, called the *establishment stage* (ages 25–44), according to the theory an individual needs to implement self-concept in an occupational role, assimilate into an organisational culture, consolidate expectations and reality, as well as refine one’s self-portrait. The last step may uncover untapped potential

leading to advancement and new responsibilities. At a certain point in time, maintaining the status quo will become more important than advancement and new possibilities, which signal the end of the stage.

The main task of the *maintenance or management stage* (ages 45–64) is to answer whether occupational satisfaction is high enough to remain in the same line of work for the final 20 years of an individual's work life. This task of renewal means that an individual needs to re-evaluate experiences and revise their vocational self-concept. If the re-evaluation is unsatisfactory, it may lead to a change of position, organisation and profession. Previous stages of the career development process may then have to be revisited. The main issue is self-concept preservation. Super (1983) defined three styles of functioning: holding, updating, and innovating. Stagnation is a negative style of maintenance. It is of particular importance to integrate the work role with the other life roles in this stage. Savickas (2002) suggests substituting the term maintenance for the term management, as fewer and fewer people maintain the same position for 20 years. The main tasks become re-exploration and re-establishment.

The main tasks of the *disengagement stage* (age 65+) are decelerating, retirement planning, and retirement living. "After a long period of maintenance, workers eventually experience a decline in energy for and interest in their occupation" (Savickas, 2002, p. 182).

After having considered the theoretical details of the stages included in this model, their meaning for succession as career development will be considered. Looking at the developmental stages proposed by Super and connecting them to the succession process offers the following insights.

The *growth stage* (ages 4–13) in the developmental process corresponds to the *pre-succession decision* stage. The importance of attachment to the parents and the role of the family in shaping possible choices for the future career are readily transferable to the family business context. The surroundings and the social environment a person grows up in shape the 'who' this person will become.

Within the context of family businesses the *exploration stage* (ages 14–24) can also be understood as part of the *pre-succession decision* phase in which potential successors shape their academic education and set the path for their professional career through education and some early work experiences. The most important task within this stage has been defined as the determination of fit between task and aptitude. In cases where succession needs to take place very early due to an emergency in the business or the family, the *exploration phase* can be cut short forcing the successor to move into the next stage before it has been completed. In such a situation, the aptitude and interest of the successor for the business is often not seen as the most important aspect since the continuity of the business needs to be insured through all means possible in such a situation. This can also be the case when the age gap between parent and children is large (often relevant

for children from a second marriage) and the succession needs to take place early in the career development if a cohabitation period within the family business is desired.

The *establishment stage* (ages 25–44) can be translated into the actual *succession decision stage* within the succession process. The successor needs to find his/her place within the family business and acquire the skills necessary to fulfil that role. It is in this stage that the adult child needs to return to the family and effectuate a critical adjustment of the child role in cooperation with the parent(s) in order to arrive at the self-portrait of an adult.

The last two stages included in Super's model are not of central importance for the succession decision process. At this point in the successor's career development, the succession decision itself should in most cases have been completed. In terms of family business succession, the *maintenance or management stage* (ages 45–64) corresponds to the stage in which the successor has taken over from the previous generation and is leaving his/her mark on the business. Contrary to other careers where this stage might see job change to further the career, the family business successor who has arrived at this stage is generally expected to remain within the business unless the contextual factors demand the company change dramatically or be sold. The mode of stagnation is expected in this stage as there is little advancement possible once a successor has arrived in the management of the family business. The age range of this stage is rather larger than career development provides for, depending on the individual succession constellation.

The *disengagement stage* (age 65+) corresponds with the *letting go stage* within the family business succession process. A number of studies have investigated the problem many family business owners have in letting go of the business and handing over the reins to the next generation (Dyck et al., 2002; Gilding et al., 2013; Harvey & Evans, 1995; Haveman & Khaire, 2004; Haveman, 1993; Venter, Boshoff, & Maas, 2005). This stage of career development lies at the end of the developmental process when the succession decision which is the focus of the current research, has long been taken.

The previous section described two career developmental models in order to provide an overview of the understanding career development research has about the stages of this process. The current study seeks to look at the decision process of the individual who becomes the successor. It endeavours to understand how an individual decides to or becomes the successor of his or her family business and how this process is experienced by said individual. In order to gain a deeper understanding of the decision process of career development, one model describing career decision making in particular will now be considered in more detail before the final stage model of succession as career decision will be provided and described.

2.2.3 Career decision making process

Miller-Tiedeman and Tiedeman (1990) proposed a career decision making model in which the individual passes through certain stages over the course of her lifetime. Among decisions concerning the individual's career will be decision points such as educational choice, job entry or career change. The emphasis of this model is placed on the personal development of the individual while acknowledging that he or she will be influenced by biological, social and situational factors. It was designed by the authors to help individuals become aware of the decision making process and the factors inherent in it. The individual derives meaning from interactions with the environment (differentiation) which in turn enables the development of ego identity² (Erikson, 1956) through the structuring of processed information into a comprehensive whole. This process is called integration. According to this model, the individual is "the whole of all earlier decisions" (Miller-Tiedeman & Tiedeman, 1990, p. 314).

The model has two main stages: *career anticipation* and *implementation*. Each of these stages is further subdivided into a number of sub-stages (see Figure 6 for details). The *career anticipation* stage is comprised of four sub-stages. The first, *exploration*, describes a time in which the individual interacts with the environment and receives feedback from it. The second stage is completed when *crystallization* occurs insofar as the individual is able to recognize alternatives and consequence patterns based on information gathered about the world. Miller-Tiedeman and Tiedeman (1990) posit that only if an individual is able to distinguish between "common reality"³ and "personal reality"⁴ is she able to perceive a choice in the realities to follow. According to their theory career choice needs to be arrived at based on inner knowledge not on what others think is right for the person. In the third sub-stage the individual makes a *choice* and acts accordingly by preparing to enter an occupation indicated by *clarification*. The similarities to Super's model are readily apparent not least in the terminology.

Only once all sub-stages of the anticipation phase have been completed, can *career implementation* commence. The first sub-stage, *induction*, is reached when the individual settles into the new workplace of choice. The individual responds to the demands of the environment. In the *reformation* stage the individual begins to assert herself in the workplace after having gained credibility

2 Ego Identity "the awareness of ... self-sameness and continuity ... [and] the style of one's individuality [which] coincides with the sameness and continuity of one's meaning for others in the immediate community" (Erikson, 1968).

3 Common reality denotes what a person says she should do and is linked to societal, parental and other external expectation.

4 Personal reality occurs when the individual realizes that life decisions such as career decisions should be guided by inner knowledge.

and confidence within the organization she works for. The stage of *reintegration* has been arrived at when the balance between individual and organization has been attained. One of the assumptions underlying this model is that work satisfaction will be reached once all stages and sub-stages have been completed. The stages are not intended to be understood as either instantaneous nor irreversible (Miller-Tiedeman & Tiedeman, 1990). They stress that “theory is not separate from experience. Theory merely mirrors a story of someone’s experience” (Miller-Tiedeman, 1999, p. 52).

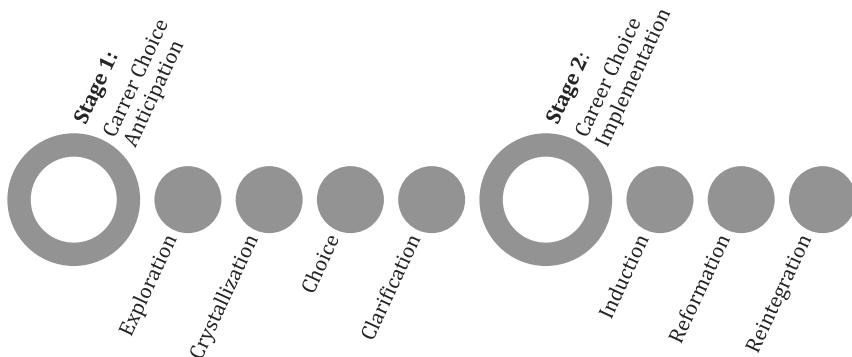


Figure 6: Career decision making model.

Source: Figure developed by the author based on text by Miller-Tiedeman & Tiedeman (1990)

The main contribution of this theory to the current argument is its clear focus on the individual and the personally experienced decision making process. It does not combine the identification of influencing factors and the process. Through this clear focus it offers insights into the process without cluttering it up with contextual factors.

The main focus of the proposed analysis will, as was outlined above, concentrate on the first stage of the career decision process, *career choice anticipation* and its three sub-stages as it is in that stage that the succession decision takes place. The second stage *career choice implementation* with its sub-stages *induction*, *reformation* and *reintegration* will be referred to insofar as they represent the establishment of the successor in the family business.

Comparing the three process models of career development and career decision making, the following picture emerges (see Figure 7). The model by Ginsberg was the starting point of career development process models focusing on early career development exclusively. Miller-Tiedeman’s model offers the most detailed view on the adolescence and early adulthood period, which corresponds with the time span in which family business succession decisions are assumed to be shaped. Super’s model is the most comprehensive offering of a

detailed view not only until early adulthood but spanning the entire lifetime of an individual. The current study will, like Miller-Tiedeman’s model, focus on early development until establishment is completed.

| Approx. Ages | Ginzberg (1951) | Miller-Tiedeman (1990) | Super (1953) | Current study |
|--------------|-----------------|------------------------|-----------------|--------------------------|
| 4-13 | Fantasy | | Growth | Perception of succession |
| 14-24 | Tentative | Anticipation | Exploration | Education |
| | Realistic | | Crystallization | |
| | | | Choice | |
| | | | Clarification | |
| 25-44 | | Implementation | Induction | Joining the FB |
| | | | Reformation | |
| | | | Reintegration | Decision for succession |
| 45-64 | | | Management | |
| 65+ | | | Decline | |

Figure 7: Comparison of stages proposed by career development theory. Source: developed by the author based on texts by Ginzberg (1951); Miller-Tiedeman (1990); Super (1953)

Combining the insights gained from the three different career development models presented as well as the insights from family business succession theory, the following stage model of succession decision making is being proposed as basis for the subsequent analysis. In total five decision points were identified and will be assessed for each of the succession cases included in the current analysis (see Figure 8).

Concerning the *pre-succession decision* stage, three sub-decision points will

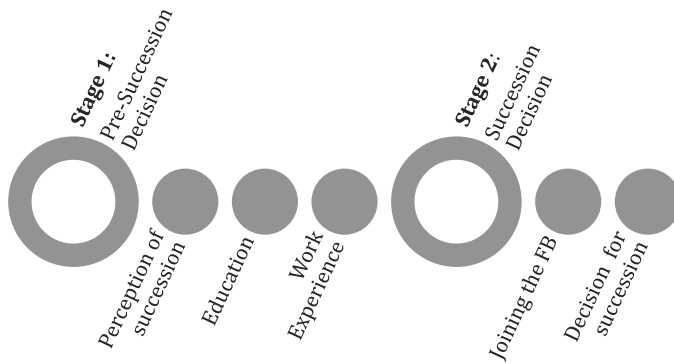


Figure 8: Overview over the steps in the succession decision process to be analysed

be assessed. The first of these evaluates whether the successor perceived him or herself as successor during childhood and adolescence. During the *exploration* and *crystallization* sub-stages the individual gathers information about the world through interaction and becomes able to recognize career alternatives and consequence patterns. Whether a career in the family business can be considered a future option or not will in part be determined by the interaction of the child of the business-owning family and his parents as well as the family business during childhood and early adolescence. The first step in the analysis will therefore assess how the interview partners describe whether or not he saw a career in the family business as an option for the future. It is understood as the result of the *growth* and *exploration* stage.

During the next two sub-stages of *choice* and *clarification*, an individual makes said choice and prepares to act accordingly. This occupational choice will become apparent in *educational choice* and chosen *work experiences*. These are also called decision points by Miller-Tiedeman and Tiedeman (1990) and they will be assessed in relation to their relevance for a future occupation in the family business which constitutes the second step of the subsequent analysis.

The last two decision points were allocated to the *succession decision* stage itself. The decision to join the family business will be evaluated for the extent to which it was experienced as personal choice. The last decision to be assessed is the decision to become the successor. In some cases this decision might correspond to the decision to join the family business, whereas in other cases selected for the current study, this decision might not have been taken yet. The evaluation will again be based on the description of the decision as a personal decision or an externally determined development. Together, the last two sub-decisions were designed to correspond to the *establishment stage* in the career decision making model.

Family business succession as process has now been investigated in detail.

The decision points to be evaluated in the following analysis have been developed and described. The subsequent chapter of this thesis will propose a systematic way to allocate these and their influence to a number of external systems.

2.3 Factors which influence the succession decision process?

Clearly, the processes of family business succession as well as the career developmental process explored in the previous section do not take place in a vacuum. The current study posits that the succession decision process of the next generation family members can only fully be understood if the factors having an influence on it are investigated alongside the decision and process itself. A considerable part of career development research has been dedicated to identifying barriers as well as inhibitors to career development in individuals (Patton & McMahon, 2006b). While a multitude of influences have been explored by family business research for their bearing on the succession process as a whole (De Massis, Chua, & Chrisman, 2008; Dunn, 1999; Morris, Michael, Williams, & Nel, 1996; Venter et al., 2005) little research has been directed towards singling out the influences on the successor within the process. This gap was acknowledged when it was pointed out that “fruitful would be to understand the role of [the] environmental context (family, industry, and business) on the motivations to join [...] of next-generation family [members]” (Sharma, 2004, p. 14). The current study will enlist career development theory to devise a framework designed to systematically group those factors found to positively or negatively influence the successor and his or her succession decision making.

2.3.1 Influences on the individual during career development

In order to provide a picture of the influences identified as bearing on the career developmental process on the basis of which the subsequent analysis will be conducted, the systems theory framework of career development (CDSTF) will be reviewed (Patton & McMahon, 2006a). This framework was developed to synthesise existing theories on career development. It offers thereby a macro-picture of career development theory through the integration of different theories. Furthermore, it seeks to describe patterns as well as relationships between single constructs (Patton & McMahon, 2006a). The authors make clear that “it is not designed to be a theory [...] rather [...] as [...] an overarching, or meta-theoretical framework within which all concepts of career development [...] can be usefully positioned” (Patton & McMahon, 2006a, p. 196). The authors’ intended purpose for the framework is precisely what it will be utilized for in the

current study, being adapted to family business succession which can be considered nothing if not a successor's career decision that takes place in a particular context (see Figure 13). The main characteristics of the framework will now be outlined.

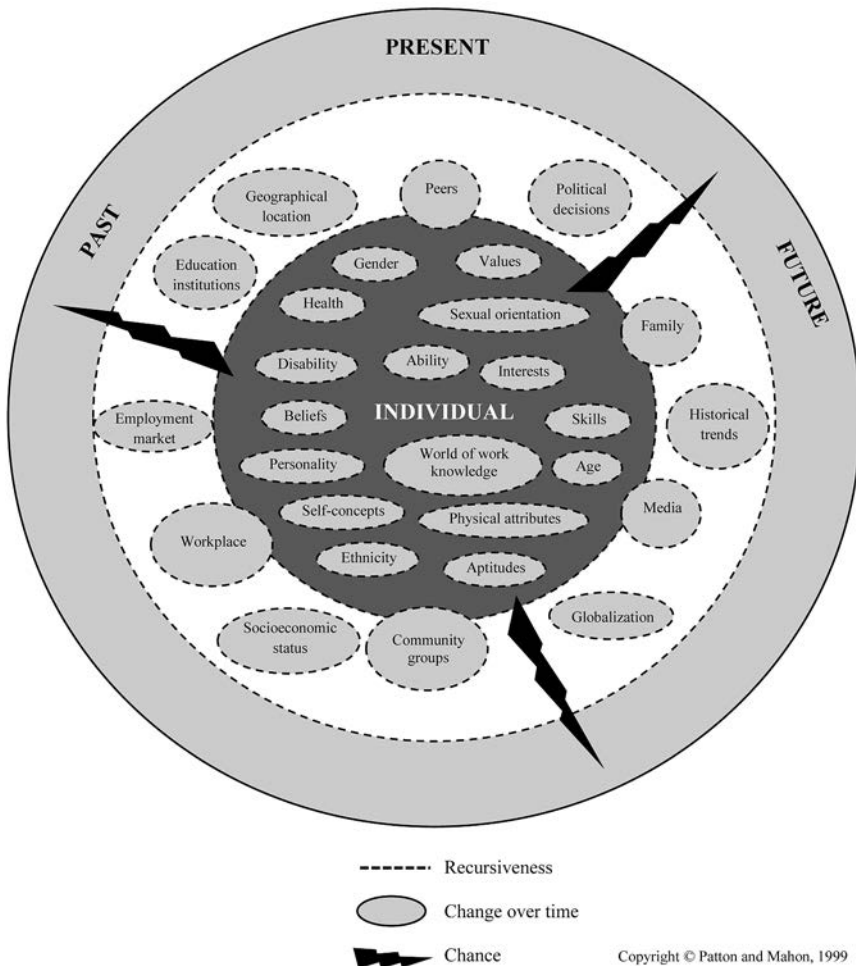


Figure 9: Systems theory framework of career development.
 Source: recreated from Patton & McMahon (2006a, p. 208)

The individual and its system are the central focus of the model just as the successor is the central focus of this thesis. The social and the environmental systems appear in the visual representation to be surrounding the individual system. The authors of the CDSTF stress that the framework also accounts for

processes of influence between systems as well as between the elements in the different systems. This is described as the recursiveness of each element and is indicated by the dotted lines. Influences are not assumed to be linear or reciprocal in size or direction; they are understood to be multidirectional. Influences do not seek to indicate causality (Patton & McMahon, 2006a). The current study will focus on the influence of the external systems on the individual and his or her decision rather than the influences of the external systems on each other, while agreeing with the model that they do influence each other. The systems and their elements as well as their relationships to each other change over time, which according to its authors, is meant to be indicated by the grey area around the entire system. It also represents the decision making process of career development. The circular depiction is intended to remove the linear progression generally associated with developmental models. This evolution of career development accounts for forward as well as backward movement within the stages of the process and can be equated with “emergent career decision making” (Super, 1953). This is an important characteristic as decision making and development over time are of particular interest in the current study. The process of succession is not expected to be a linear process. The authors of the CDSTF also introduced an element of *chance* in order to indicate there are some things in the system which cannot be predicted. The role of chance for the family business succession process will also be evaluated in the current study.

The three systems of the CDSTF will now be reviewed shortly (see Table 2 for summary of factors according to system and Figure 9). The *individual system* is the centre of the framework. It contains sixteen elements, notably: *personality, ability, skills, aptitudes, beliefs, values, interest, self-concepts, age, gender, sexual orientation, world of work knowledge, health and disability, physical attributes and ethnicity of the individual* (see Table 2). In the context of the current study, the individual system corresponds to the successor. The successor is one of the crucial elements in the succession process. Studies seeking to identify the most desirable attributes of a successor have focused on some of the above listed elements (Chrisman et al., 1998). It is not the aim of this study, however, to assess the characteristics of successors, despite their importance for the succession process. The individual system of the successor will be explored through the concept of successor commitment. This can be understood as an expression of a number of elements allocated by the CDSTF to the individual system such as interests, values, personality as well as self-concepts. Another individual factor to be considered in the current study is gender. The gender of the successor will be taken into account as it has been shown that career development differs for men and women in some aspects (Astin, 1999; Betz & Hackett, 1981; Cook et al., 2002; Farmer, 1985, 1997; Lent et al., 1994). In early studies, factors identified as operating in different ways for women were found to include: marriage, edu-

cation and occupation of the parents, mate selection, fulfilment (Psathas, 1968) as well as motherhood and homemaking (Zytowski, 1969). Barriers found to inhibit female career development are, among others, role conflict, occupational stereotypes as well as gender-biased counselling (Betz, 1994). Recently, research found that some of the barriers in female career development identified by previous literature might no longer be relevant today (Fitzgerald & Harmon, 2001). In line with Fitzgerald and Crites (1980), the current study maintains that the career development of men and women does not differ fundamentally, but that special consideration should be given to differences between the two genders. The current study will pay special attention to this individual factor by assuming a gender-sensitive position in the data analysis. The remaining factors of the individual system such as *physical attributes, disability, ethnicity, beliefs and sexual orientation*, for example, were not systematically varied in the sample and will therefore be removed from the model for further use in the current study.

The *environmental system*, according to the CDSTF, contains the following elements: *socioeconomic status, employment market, geographic location, political decisions, historical trends, and globalization*. In the case of family business succession, these can be expected to play an equally important role for career development in general.

| Career Development | Individual System | Social System | Environmental System |
|--------------------|--|--|---|
| Factors | Personality Ability Skill Aptitude Beliefs Values Interests Self-Concepts Age Gender Sexual Orientation World of Work Knowledge Health Disability Physical attributes Ethnicity | Family Educational Institutions Workplace Peers Community Groups Media | Socioeconomic Status Employment Market Geographic Location Political Decision Historical Trends Globalization |

Table 2: Summary of the factors influencing career development.

Source: based on text by Patton & McMahon (2006a)

The *social system*, according to the CDSTF, contains the following elements: *family, educational institution, workplace, peers, community groups, and media*.

For the family business context of the current study, family influence is considered to be of particular importance. Within the context of family business succession, the *workplace*, i. e. the family business, has received much attention in previous studies. It will be the second set of factors of particular importance to be considered. Additional elements from this system (*educational institutions, peers, community groups and media*) will be considered for their influence if reported as relevant.

In the following, it will be explored how the above proposed framework which was developed to represent career decision in general, could be adapted to capture the particularities of the family business context.

2.3.2 The CDSTF in the family business context

Applying the above-described framework to the context of family business succession raises the question of how the family business might most appropriately be represented and located within the CDSTF. According to the framework, the family and the workplace are both part of the *social system*; therefore, this is also where the family business will need to be positioned. Family business research has long since seen the family business as composed of at least three systems (Tagiuri & Davis, 1996) most often depicted as three interlocking circles representing the business, the family and the ownership system. The *bulleye model* of family business by Pieper & Klein (2007) also sees the family business as composed of a number of subsystems. Contrary to Tagiuri & Davis (1996), this model identifies not three but five subsystems. It includes the environment, the family business with its subsystems family, business, ownership and management as well as the individual (see Table 3 for definitions and examples). Previously described models largely ignore environmental factors influencing the family business systems and its subsystems. Among other improvements, the *bulleye model* seeks to remedy this omission. The included environmental factors and the positioning of the individual at the centre this model are easily apparent similarities to the CDSTF chosen to be used in the current study. Also, like the CDSTF, it was developed as an integrative model. According to the *bulleye model*, the family business should be understood as an open system, which entails the family business as an organization be considered in its economic and cultural environment, and it also allows for the analysis at different levels. Furthermore, it accounts for subsystem interaction (Pieper & Klein, 2007, p. 304). Within this model, the family and the business system are understood as mutually influencing sub-systems. The particular influence of the two systems on each other is what differentiates a family business from non-family businesses (Astrachan, 2003). The ownership and the management sub-

systems are understood as connecting sub-systems. “The family provides the business with funds (through the ownership sub-system) and with labour force (through the management system). The business subsystem, in turn, provides the family with jobs, as well as financial and non-financial returns” (Pieper & Klein, 2007, p. 306).

| Subsystem | Definition of Subsystem | Examples for Subsystem Variables | Frequently Mentioned Dimensions |
|--------------------|---|--|--|
| Environment | Large, living system with organizations and lower levels of living systems as sub-systems and components. | Customers, competitors, labor organizations, suppliers, government, and other agencies. | Country, tax system, location (rural vs. urban). |
| Family | A group of persons related by blood ties. | Nuclear family, extended family, kinship group. | Enmeshment/disen-gagement, state of lifecycle, number and age of family members, love, trust, and control. |
| Business | Organization that processes inputs from the environment and returns some product or service. | Entrepreneurial firm, mid-sized firm, large diversified global player | State of lifecycle, performance, relative market position. |
| Ownership | Ownership of voting rights or company capital. | Concentrated, scattered, dispersed ownership. | Legal form, number of owners, stage of ownership, governance system. |
| Management | The top management team that runs the business. | Wholly family staffed, partly nonfamily staffed, wholly nonfamily staffed management team. | Management team, phase of leadership, leadership style. |
| Individual | Organized multicellular structure that has single decider. | Nonactive family business member, owner-manager, nonfamily executive. | Characteristics, intentions, and actions, motivation, identity |

Table 3: Definitions and examples of family business subsystems.

Source: adapted from Pieper & Klein (2007, p. 305)

The model provides for the fact that each individual within the system can influence it and its sub-systems. It does not presume a linear cause and effect relationship between different influencing factors but rather proposes interconnected and mutually influencing systems. In the current analysis, this focus will be shifted by looking at how the systems and subsystems influence the successor during the succession process rather than the other way around, the more commonly looked at perspective in the past. The current study, therefore,

uses the model in a way intended by its authors when they state that “the application of the model can assist the researcher in integrating these different concepts in a coherent way and help him or her to better describe and explain family business reality” (Pieper & Klein, 2007, p. 309). Factors from the *environmental system* are investigated for their influence on the successor. Furthermore, the influences exerted on the successor by the subsystems of the family business succession system will be considered. The same structure will be employed when analysing the results of the current study. The task of the current study will be to examine which of these factors actually influences the successors interviewed in the current study and how these influences are experienced.

The aim of the current section was to use knowledge from family business research in order to position the family business within the CDSTF. The *bulleye model* proposed by Pieper & Klein (2007) was selected as the most compatible depiction of the family business for this purpose. The current study adapted the CDSTF to the context of the family business by integrating the elements of the *bulleye model* into the basic CDSTF model. The environmental system from the original CDSTF was maintained. The bulleye model adds four subsystems of the family business system (family, management, business ownership) which were added to make up the *social system*. The elements to be identified by the current study are represented in Figure 10 by question marks as placeholders.

The following section will explore which factors have previously been identified by family business research to have a potential influence on the succession process as a whole in order to provide a connection point to previous research for the results of the current study.

2.3.3 Influences on the succession process

Much effort has been invested in identifying the factors influencing family business succession. Nevertheless, the picture remains fragmented (Long & Chrisman, 2014). A number of studies have sought to gather and group influences on the succession process (De Massis et al., 2008; Dumas, 1989; Handler, 1990, 1992; Le Breton-Miller et al., 2004; Stavrou, 1998). It is unclear which factors revealed by said research influence the succession process as a whole and which influence the successor in particular. This subsection is not intended to be a comprehensive review of family business succession literature enumerating all previously mentioned influences on the succession process. The only factors to be considered in the current study are those reported as relevant by successors in relation to the succession decision. In order to further define the above-proposed framework, each system and the most important factors previously linked to it will be briefly presented here.

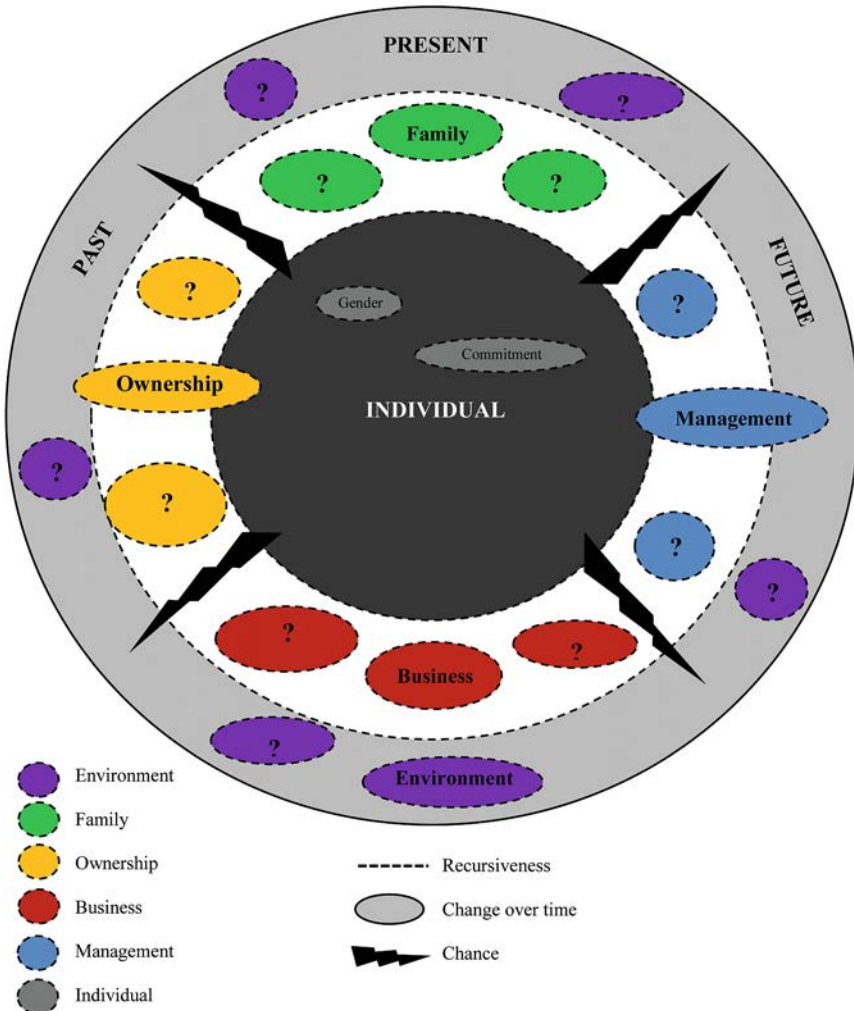


Figure 10: CDSTF adapted to family business succession as career development.
Source: based on Patton & McMahon (2006a, p. 208)

Influences from the environmental system

The context a family business and the members of a given business-owning family, and therefore the successor, exist in are determined by the *environmental system*. It is therefore important to consider the larger environmental system when looking at the successor within the family business system (Le Breton-Miller et al., 2004; Pieper & Klein, 2007; Schlippe & Frank, 2013). According to

the bulleye model, the environment as subsystem is defined as a “large, living system with organizations and lower levels of living systems as subsystems and components” (Pieper & Klein, 2007, p. 305). Frequently mentioned dimensions are “country, tax system and location” (p.305). It influences the successor directly and indirectly by impacting the other four systems and their elements.

One environmental determinant on the macro level is the country in which the family business is located. A country is shaped by its political system and its culture (Hofstede & Hofstede, 2004). Both impact the development of the legal system and taxation rules. The successor is impacted by these larger systems insofar as they dictate the rules according to which succession and ownership transfer are allowed to take place. The economic environment impacts the family business as well as the employment market. One important factor impacting the successor directly is the employment system and the job market the potential successor operates in (Stavrou, 1998). Alternative career opportunities to the family business are impacted by labour shortages and employment opportunities. An unpredictable job market reduces volatility, as other opportunities cannot readily be assessed by the successor.

Other factors in the environmental system interact with the other systems to create the context in which succession takes place. The current study will seek to identify those factors reported as crucial for the succession decision taken.

Influences from the family business system

The family business system is composed of four subsystems, notably the *family system*, the *ownership system*, the *business system* and the *management system*. Each of these subsystems will now be considered in turn. Since the subsystems are mutually influencing, some factors are related to more than one subsystem.

The *ownership system* is the system that connects the family system to the business system (Pieper & Klein, 2007) as the members of the family system are the owners constituting the ownership system. According to the bulleye model, ownership as subsystem is defined as “ownership of voting rights or company capital” (Pieper & Klein, 2007, p. 305). Frequently mentioned dimensions are “legal form, number of owners, stage of ownership, governance system” (p.305). The legal form of the family business and how ownership can be transferred will impact the ownership system. Inheritance tax rules previously mentioned in relation to the environmental system also have a considerable impact on the ownership transition.

Ownership can be transferred following one of three inheritance heuristics (Fittko & Kormann, 2014); which one is used is also influenced by the cultural context and traditions. The number of ownership transitions following either of these heuristics or rules will strongly influence the number of family members

included in the ownership system and whether ownership can be considered concentrated, scattered or dispersed (Fittko & Kormann, 2014). The first heuristic most commonly found in the north and west of Europe stipulates that the inheritance cannot be divided and therefore must be transferred to a single individual. Primogeniture, according to which the only or oldest son automatically inherits the entire family business, can be allocated to this type. If such a rule is followed over generations, ownership can remain concentrated despite the number of generational transitions. The second ownership transfer heuristic, usually found in the north Mediterranean region, sees the inheritance as divisible and therefore ownership is equally distributed to all heirs (Fittko & Kormann, 2014). Following this inheritance model can lead to dispersed ownership very quickly depending on the number of children born to each generation. The ownership stake a successor can potentially hold can also have an important influence on the succession process. Successors can manage the business with a non-majority ownership stake, but it can be a difficult position to be in as he or she might lack power in the shareholder meeting. Following this inheritance rule, more than one family business offspring can inherit shares in the family business. The ownership structure can take, for example, the forms of sole ownership, sibling partnerships or cousin consortiums (Ward & Dolan, 1998). Siblings or cousins can also manage the business together as a team (Avloniti, Iatridou, Kaloupsis, & Vozikis, 2013). This is only possible if the business is large enough to sustain more than one family and is therefore also related to the size of the family business. The ownership system can influence the number of potential successors in the running for the position of successor. In cases where the business is transferred from the founder to his only child, ownership issues can be expected to have the least impact on the successor. Cases in which family members are very numerous and the family business is a traded company with shares to be bought and sold make up the other end of the spectrum. This form of inheritance can be a heavy burden on the successor and the business if siblings need to be compensated with other assets, as it limits the profits which can be reinvested in the business in every generation. The third heuristic, most often found in the East and Middle East, is based on the equal distribution to all male heirs only (Fittko & Kormann, 2014). Dumas (1998) found that despite the fact that women are well represented in family businesses, they do not have substantial ownership. Historically, female offspring did not inherit family business shares. Any property a woman inherited was automatically managed by her husband. In Germany, this situation changed only as recently as 1958 (Feree, 2012). Before that, gifting family business shares to female offspring meant to some extent losing control over it as her husband had all decision making rights and received all earnings resulting from it. Today the

legal system stipulates that male and female offspring have the same inheritance rights. Often shares are gifted to all children of a business owner.

Each of the inheritance heuristics presented here has advantages and drawbacks and they are linked to inheritance laws as well as inheritance tax laws. Whether the system works over generations or not is also highly dependent on the governance system ruling the shareholders and the business-owning family (Gimeno, Baulenas, & Coma-Cross, 2010). Their importance increases in relevance the more dispersed ownership becomes. The owners of a family business exert their influence through the shareholder meeting and additional governance bodies such as advisory boards (Klein, 2010). In countries with a two-tier system, it is very common to establish an advisory board; in Germany this is the so-called *Beirat* or advisory board⁵ (Henseler, 2006). It can consist of family members, external experts or both. The influence of the family on the ownership system is considerable. The influences the family system exerts on the succession process directly, will be explored in the following section.

The *family subsystem* in the bulleye model is defined as “a group of persons related by blood ties” (Pieper & Klein, 2007, p. 305). For the current summary, the family system includes all those factors originating from within the family (nuclear and extended) having a bearing on the succession process. The previous section discussed how traditions related to inheritance rules can impact the succession process. Factors related to family values and traditions were also found to impact whether or not a certain individual considers succession in the family business as a future option (Eckrich & Loughhead, 1996). A congruence in values between the family and the successor can have a positive effect on the effectiveness of the successor in the family business while an incongruence can harm effectiveness (Stavrou, 1998). Transgenerational intent, i. e. the intent to pass management of the family business on within the family, is one relevant factor since family internal succession can occur only if passing the management of the family business on to a family member is an option. Birley (1986) found that the attitude of the family members has an impact on successor selection, and such succession is unlikely to occur if the family attitude is negative. Transgenerational intent is generally determined by the incumbent (or the incumbent generation) and has been found to be positively related to the size and age of the business (Williams, Zorn, Russell Crook, & Combs, 2013).

Age of a business-owning family is most often measured in generations of family business members involved in the running of the company since the founder. The age, and therefore also the past experiences of the family concerning succession, can be expected to impact the family norms and rules

5 The different types of boards will not be further differentiated. References will be made to the Board of Directors (BOD) throughout the remainder of the current study.

concerning succession. A family that has been actively involved in the management of the family business for a number of generations can refer to past successions for future references. A family looking back on a number of successions following, for example, the rule of primogeniture, might have difficulties accepting a younger son or daughter as successor (Barnes, 1988). When asked, incumbents generally did not rate birth order and gender as an important attributes for successor selection (Chrisman et al., 1998). Contrary to this finding, gender and birth order have been found to be a main determinant in successor selection (Goldberg & Wooldridge, 1993). The selection of the oldest son (or oldest child) can be hindered, not due to the rule of primogeniture, but because of the age difference between the incumbent and his children. The larger the age difference between the incumbent and his children, the more likely it becomes that older children have a first-mover advantage concerning the succession decision. Therefore, the family constellation, i.e. the lifestage of the parents, as well as age and number of siblings, can have a marked effect on the succession decision (Davis & Tagiuri, 1989). Some researchers have found that firstborn and only children have a higher likelihood of joining the family business, which was attributed to a willingness to fulfil parent expectations (Goldberg & Wooldridge, 1993). If the oldest sibling chooses to become the successor, the same choice might no longer be available to the other siblings unless a sibling team as management team is an option. It can also be the case that none of the older siblings were willing to become the successor and therefore the youngest child has to take on the task as there is no one else left (Dumas et al., 1995). Barnes (1988) examines cases of succession of daughters or younger sons leading to incongruent hierarchies within the family and the business and their effects. He concludes that in such cases hierarchies are upset and must be renegotiated if the process is to be successful. He posits that compared to younger sons, daughters face particular challenges. Daughters are less often chosen as successor (Lyman, Salganicoff, & Hollander, 1985). The likelihood of a daughter being chosen as successor seems to increase when all potential successors are female or when she is the first born (García-Elvarez et al., 2002; Iannarelli, 1992). A number of studies have found that founders often choose a team of successors composed of their sons and daughters in shared owner and management roles (García-Álvarez et al., 2002; Gersick, Lansberg, Desjardins, & Dunn, 1999). Whether such shared management is possible is also highly dependent on the relationship of the siblings and the presence or absence of sibling rivalry (Grote, 2003). If a relationship is highly conflicted, shared management might serve to satisfy the wish to treat children equally in order to reduce conflict in situations where the conflicts will continue to take place in the future, possibly at the cost of the family business. It was found that the choice of a younger sibling or daughter can lead to incongruent hierarchies in the family

and the family business, which can cause rivalry between siblings and conflict within the family (Barnes, 1988). The adherence to the simple choice of the oldest son can be seen as a way to reduce this source of conflict. This consideration of potential constellations between siblings served to illustrate that the number of siblings, gender, and birth order can have an influence on the potential successor's decision.

The quality of the relationship between the incumbent and the successor was identified as an especially crucial factor for the succession process (Le Breton-Miller et al., 2004). Unsurprisingly, a number of works found that a positive relationship also has a positive effect on succession (Handler, 1990, 1992; Hüni, 2010; Lansberg, 1988; Ward, 1987). Trust and communication were found to be important elements of such a relationship (Morris, Michael et al., 1996). Kaye (1996) explored how the relationship between incumbent and successor is affected when the connection of the family members with their family business becomes unhealthy. Depending on the circumstances, the family business can become an addiction, which in turn can retard the life cycle development of the successor as well as the incumbent. "Successful human development is a balancing act between family attachments and the formation of a self. Family attachment is a strong instinctive motive, yet it works against individuation. [...] Over-identification with a business is an example of a process addiction. What begins as a desperately sought solution becomes an even bigger problem; the enterprise itself becomes the drug of choice, with the whole family addicted to keeping some members in business together at all costs" (Kaye, 1996, p. 350). Successors might be drawn to the family business in the futile hope of solving interpersonal problems and thereby further escalate the problem. Kaye argues that such behaviour is caused by parental over-control and resistance to the individuation of their children, often visible in the inability to let go of the family business. In other cases the successor goes to the family business as "the employer of last resort". Lack of self-esteem with its roots in early childhood is named by Kaye as the usual reason for such a development. Concerning career development, successors in such situations become trapped in the family business as alternative career paths become unavailable.

The relationship between father and daughter has received particular attention in the literature. Hollander & Bukowitz (1990) identify the role of "over-nurturer" as one of two roles which daughters can assume when entering the business and taking care of their father. If the father simultaneously assumes the role of protector, the transfer of authority is generally prohibited. In the relationship with the father and a brother, the daughter/sister can take on the roles of either "knight in shining armour" waiting to take over if the brother fails or as "buffer" to de-escalate the relationship of the other two players working together in the management team. Only a small number of studies have investigated the

succession cases in which the incumbent was female (Harveston, Davis, & Lyden, 1997).

The relationship with other family members and the family as a whole has also been found to be of importance to the succession process. Dumas (1989) found problems in the relationship between female successors and their mothers due to the bond forged with the father during the succession process. The increased closeness between father and daughter created an environment in which the main topic of conversation became the business to which the mother would often be unable to contribute if she was not actively involved. Contrary to these previous findings Vera & Dean (2005) did not report mother jealousy.

Another important family relationship to consider is that of the successor and his or her life partner. Undoubtedly, the significant other and the presence of their own children are expected to have a marked influence on the successor as it would on other career decisions. Unsurprisingly, most of the findings related to this last set of factors stem from literature about female succession. It was found that the presence of a partner can have a beneficial effect on the succession process, which becomes a disadvantage in cases in which the partner takes no interest in the family business (Dumas et al., 1995). In some cases, it was found that working in the family business offers daughters work-schedule flexibility, allowing them to combine career and child rearing responsibilities (Karatas-Ozkan et al., 2011; Salganicoff, 1990b). Other women reported a double bind related to motherhood and child care responsibilities which remains an issue to be resolved by the women alone (Cole, 1997).

The third subsystem within the family business system to be considered here is the *management system*. It is defined by the theory as “the top management team that runs the business” (Pieper & Klein, 2007, p. 305). The factors identified by the literature on family business succession and allocated to this system are the composition of the top management team (TMT) and the influence of the BOD. If the incumbent and successor are working together as members of the TMT, issues pertinent to the working relationship between the two will be allocated to the management system.

A conflictual working relationship between the two main players in the succession process can have a negative effect on said process (Davis & Tagiuri, 1989). One factor often introducing conflict is the incumbent’s unwillingness or inability to let go of the reigns of the family business (for example Handler, 1990; Lansberg, 1988; Seymour, 1993). It was found that the stronger the connection between the incumbent and the business, the more difficult it will be to retire. If the business is the main source of satisfaction for the predecessor, withdrawing from it might prove very difficult. The process of “letting go” is often facilitated by other members of the family (Gilding et al., 2013). Kaye (1996) proposed that poor ego development of the parent may inhibit healthy ego development of the

offspring. In such constellations, the parent is unwilling to let go of the family business in order to keep the offspring working there under control. Such constellations can become very unhealthy for the successor who can become unhappy, and chronic conflict within the family and the business can ensue. Irrespective of the reasons for it, the incumbent's inability to let go of the management of the family business sends a signal not only to the successor about the trust placed in him but also to the family business in general and its stakeholders.

Dumas (1989) found problems in the relationship with a third important other, such as a manager. In another study it was found that managerial conflict can be more pronounced than in cases of male succession (Dumas, 1992). Contrary to previous findings, Vera & Dean (2005) did not report management rivalry in cases of female succession. If management rivalry occurs, it can mean that the successor is faced with a situation in which the management or part of the management team is actively working against the successor.

In family businesses where a board of directors (BOD) exists, it can strongly influence the succession process by enforcing a predetermined succession plan and representing the interests of the owners (Barach & Ganitsky, 1995; Churchill & Hatten, 1997; Sharma et al., 2001). The members are commonly proposed and elected by the shareholder meeting. The succession process is often regulated by the shareholder agreement and often the advisory board has to evaluate the suitability of the successor (Wiedemann & Kögel, 2008).

The *business system* is defined as an "organization that processes inputs from the environment and returns some product or service" (Pieper & Klein, 2007, p. 305). From the perspective of the successor, this system corresponds to the workplace in the CDSTF described previously. The main interest of the *business system* is to ensure the performance of the business and its continuity through the succession process. Succession is a relevant issue for the business system in terms of ownership as well as management succession. Conflict and disagreement between the owners during succession has been identified as harmful for the performance of the business (Minichilli, Corbetta, & MacMillan, 2010). This is particularly true when the owners of the business become unable to take decisions concerning the future of the business. When management as well as ownership succession occur simultaneously, the influence on the family business is expected to be the most pronounced. Congruence between individual and business culture and values has been shown to be positively related to the choice of a family business member to consider succession as vocational path (Eckrich & Loughhead, 1996). A change-averse atmosphere in the family business can have a negative impact on the willingness of a successor to join the family business (Seymour, 1993). Family business literature investigating succession has long since sought to determine and measure the influence of the successor on the

family business system and therefore on performance (Bennedsen, Nielsen, Perez-Gonzales, & Wolfenzon, 2007).

It has been shown that the life cycle of the family business will determine the task to be performed by the successor to a large extent (Kroeger, 1974). The tasks to be performed by the successor differ considerably depending on whether a business is, for example, still growing or in a state of decline together with its market (Mintzberg, Ahlstrand, & Lampel, 2005). It was found that in family businesses having low management requirements for the next CEO, internal succession by a family member is more likely than in business with high managerial requirements (Lin & Hu, 2007). A lack of professionalization of the family business can have a positive or negative impact on the successor depending on whether the potential successor sees this as an opportunity for improvement or is deterred by the lack of structure (Ward, 1987). A lack of succession planning has been cited as the major reason for a high mortality of family businesses (Ip & Jacobs, 2006), just as succession planning has been found to be of great importance for the success of the succession process in a family business (Lansberg & Astrachan, 1994). The function of a succession plan is to lay down the rules of play for the succession process, but its mere presence does not insure a successful succession process. "Succession planning means making the preparations necessary to ensure harmony of the family and the continuity of the enterprise through the next generation" (Lansberg, 1988, p. 120). Its usefulness is highly dependent on the authors and the process of its production. If all the important persons involved in the succession process have been included in its conception and agree on the written rules, it can be an important tool. If done well, it serves to clearly define the roles of the individuals involved in it. The successor is clear on what is expected of him and what he or she needs to achieve in order to move forward towards complete take-over of responsibility. The incumbent will be aware of his or her own exit strategy which in turn allows the successor some certainty about when the succession process should be completed (Gilding et al., 2013).

The aim of the previous section was to explore the five subsystems as defined by the bulleye model (Pieper & Klein, 2007). Making the connection between the CDSTF and the issues reviewed in the previous section, the following picture emerges. Figure 16 shows how the factors identified above fit into the CDSTF as adapted to the purpose of the current study. It serves as a possible picture of the issues to be included in the model. The model will be reviewed when the findings from the current study have been presented.

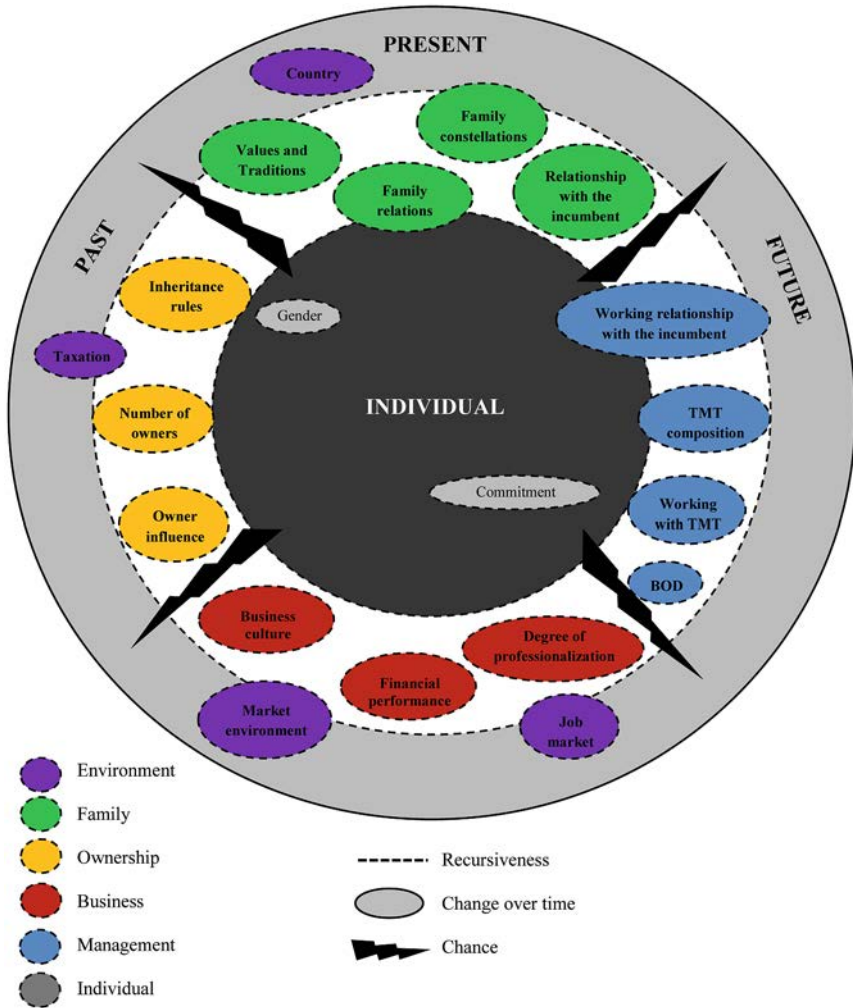


Figure 11: CDSTF adapted to family business succession as career development. Source: based on Patton & McMahon (2006a, p. 208)

3 Methods

The previous literature review section demonstrated that despite the fact that succession is one of the most researched topics in the family business research field, there is a knowledge gap concerning the career decision of the successor. The current study builds on extant theory about the succession process as well as career development theory but adds the point of view of the successor, which has hitherto largely been ignored.

As a reminder the main research questions of the current research project are:

1. How does a “child” of a business-owning family take the decision to become the successor to their family business?
2. How is this decision experienced and what does it mean concerning the career development of these individuals?
3. Does the experience differ for male and female successors, and if yes how can the difference be described?

The phenomenon under study concerns the personal decision of an individual i. e. the successor. Primary data was collected to seek answers to the above stated research questions. Information pertaining to such a personal decision process and related personal experience is unlikely to be accessible via secondary data. Generally, empirical evidence can be gathered using either quantitative or qualitative data collection methods depending on the purpose of the research. Qualitative methods are generally most suited to gaining an in-depth understanding of a phenomenon or situation under study (Huff, 2008). As the phenomenon to be investigated in the current study corresponded to the succession experience of the successor and his or her subjective experience of the succession decision, a qualitative research approach was deemed the most suitable course of action.

Different qualitative research approaches are suited to seek answers to different research questions. As can be observed, the above stated research questions can be classified as “why-” and “how-questions” which could be explored using a number of methods such as an experiment, a survey or a case study (Yin,

2009). Case studies can also be employed in theory development (Eisenhardt & Graebner, 2007; Eisenhardt, 1989). A case study research design was selected for current study. It can be defined as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2009, p. 18). One important aspect of the current research project is that the phenomenon studied, i. e. the succession decision experience of the successor, is closely connected to its context, i. e. the family business. Allowing analysis in context is one of the advantages of cases study research (Yin, 2009) compared to other forms of qualitative research (Saunders, Lewis, & Thornhill, 2012) which is why it was chosen as the method for this research project. Yin (2009) defines four different types of case study designs in a 2x2 matrix. They can be either single or multiple case designs and can be holistic or embedded. A comparative multiple case study design was chosen in order to be able to investigate the succession decision as experienced by different successors in different contexts. A holistic, rather than an embedded approach, was selected as the information pertinent to the decision could only be obtained from the successor him or herself. Information about cases was gathered during one interview with only one respondent per succession decision, not from multiple sources of evidence or interviews.

An optimum of six to ten cases are advised as to be used in case study research (Eisenhardt, 1989). Since female and male succession cases were to be contrasted, a total of eight cases per main category i. e. gender were chosen to be included in the analysis, culminating in a total of 16 cases for the entire design. In order to capture the succession process at different stages, it was deemed important to include successors finding themselves in different stages of the succession process. Therefore, three selection criteria were introduced, contrasting cases according to the status of the succession. Three cases per gender were to be selected in which the successors were currently still in the middle of the succession process. Further three cases per gender were to be selected in which succession process had been completed and in which the successors were currently running the family business. The remaining two cases per gender were to be chosen on the basis that the successors had completed the succession process and were currently already passing on the family business to the next generation.

3.1 Research process overview

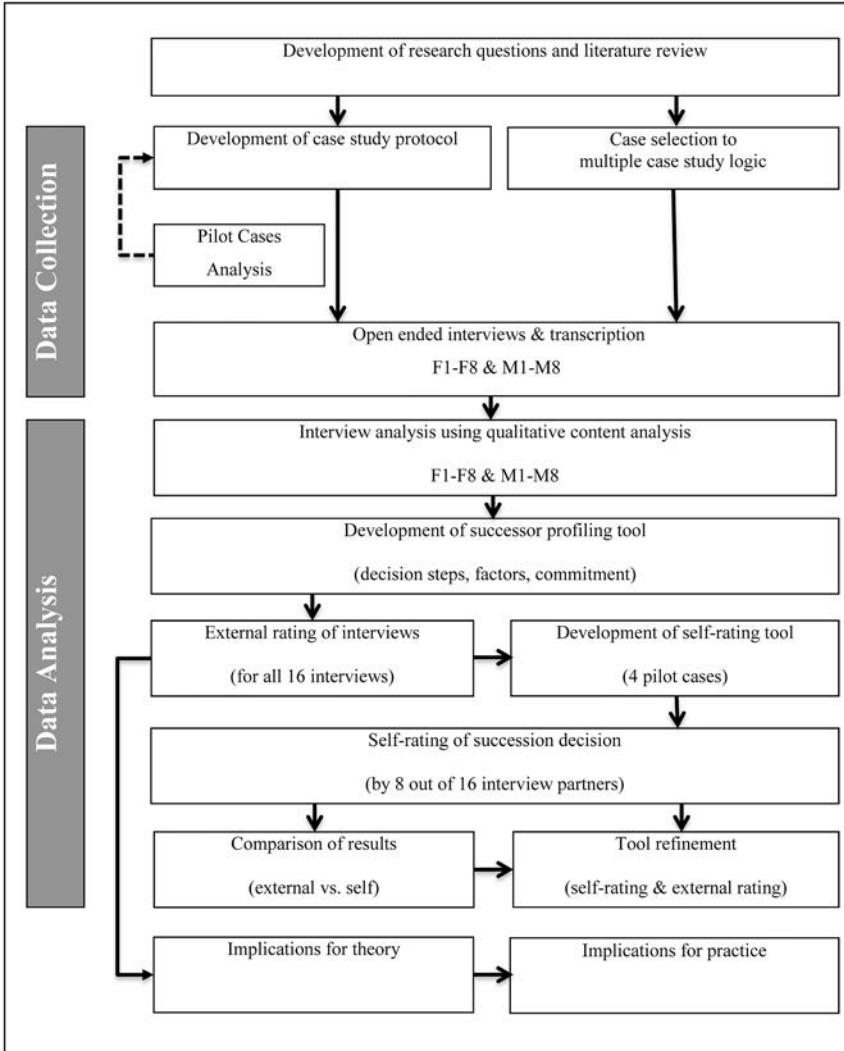


Figure 12: Visual representation of the research process

The research process was designed and carried out as depicted in Figure 12.

3.2 Data collection

The primary data collected for analysis consisted of personal interviews with family business successors. Secondary data employed in the current analysis consisted of additional information about the family businesses concerning company size (turnover and number of employees) when it was not provided in the interview. No further secondary data was included in the analysis as the focus was the personal experience of the successor which could only be accessed from the interview partner himself or herself in the form of primary interview data.

3.2.1 Field access and case description

The target group of interview partners for the current study were male and female successors in Germany who are actively involved in the management of their family business. Members of business-owning families are often very private individuals who prefer relative anonymity except when their presence is necessary to promote the family business. It is, therefore, a challenge to gain access to this group of individuals, and it was necessary to gain this access via personal contacts. Potential interview partners were identified within the private network of the researcher as well as the professional of the Witten Institute for Family Business (WIFU). Interview partners connected to this research institute might be more reflected than the general population concerning their own situation as they often participate in workshops and seminar. Due to the fact that the aim of the current research is to develop a systematic way to analyse decision processes rather than to determine characteristics of the population, this bias is not considered to be a crucial limitation of the current study.

Individuals seemingly fulfilling the above mentioned criteria were contacted via e-mail. Attached to the email were a short description of the researcher and the purpose of the study as well as the criteria to be met by the interview partners. Interested individuals were requested to contact the researcher via e-mail or telephone. When interest was voiced, a time and date for the interview were set. A total of 47 potential interview partners were contacted, 24 interviews were conducted. This very high response rate is an indicator of the quality of the network accessed for the current study. Only 16 of the total 24 interviews were included in the subsequent analysis following the sampling logic as described above in the research design section. The first five interviews were part of a pilot phase allowing the interviewer to test the interview questions and to improve the interviewing technique. A further three interviews were conducted with family members of other interview partners which did not fit the holistic case study design and were subsequently also excluded from the analysis. The character-

istics of the interview partners and their respective family business can be found in Table 4.

The family businesses included in the analysis were allocated to the following industries: construction, real estate management, retail, fashion, logistics, service provider, media, trade, automotive, IT and foods. The industry is not specified for individual cases to increase anonymity of the family businesses.

3.2.2 Interview procedure

The interview procedure employed in the current study took the form of an open-ended interview (Silverman, 2006). This type of semi-structured interview is characterised by a great deal of flexibility and active listening on behalf of the interviewer which “allows the interviewee the freedom to talk and ascribe meanings while bearing in mind the broader aims of the project” (Noaks & Wincup, 2004, p. 80). In contrast to the focused interview or the structured interview which follow a predetermined list of questions (Saunders et al., 2012), this type of interview is guided by a number of key questions and some further themes to be explored. The timing and order of the questions could be adapted to the individual interview situation by the researcher. Additional questions could be added whenever necessary. This interview type was chosen for the current study to allow the interviewer to gain a deep understanding of the succession process as it was experienced by each interview partner. Although the aim was clear, it was unclear beforehand which questions would need to be asked of the different interview partners in order to obtain the required information. In order to gain an in-depth understanding of the succession process as experienced by the interview partner, it was crucial that all relevant aspects that included personal and emotional components be discussed. Establishing a connection, as well as gaining and maintaining trust, were identified as two crucial aspects in achieving a deep understanding of the experience through the eyes of the successor. The format of the open-ended interview is particularly suited to create such a trusting and open interview atmosphere (Fontana & Frey, 2000).

The interviews were conducted on a one-to-one basis during spring and summer 2013 by the author of this study. The language spoken was German; the native language of the main researcher and all the interview partners. The interviews vary in length between 45 and 90 minutes, depending on the length of time the interview partner needed to satisfactorily explain the complex issue. The appointments were scheduled at the place of business of the interview partner apart from one case in which the interview took place at the University of Witten/Herdecke. The businesses were located all over Germany and the interviewer met the interviewees at the different locations at a time that suited the

| | Generation | Turnover in Mio. € | Number of employees | Place in birth order | Age at entry | Year of succession | Age at succession | Years in FB till Interview |
|----|------------|--------------------|---------------------|----------------------|--------------|--------------------|-------------------|----------------------------|
| F1 | 4+ | 10-50 | 50-250 | 1/2 | 30 | 2011 | 38 | 9 |
| F2 | 2 | 10-50 | 50-250 | 1/4 | 28 | 2011 | 30 | 3 |
| F3 | 2 | 10-50 | 10 | 1/2 | 33 | ongoing | ongoing | 2 |
| F4 | 2 | 5-10 | 50-250 | 1/1 | 20 | ongoing | ongoing | 25 |
| F5 | 2 | 5-10 | 10 | 2/2 | 23 | ongoing | ongoing | 19 |
| F6 | 2 | 50-100 | 250+ | 2/3 | 45 | 2005 | 45 | 7 |
| F7 | 3 | 10-50 | 250+ | 1/1 | 40 | 1989 | 40 | 23 |
| F8 | 2 | 500+ | 250+ | 1/2 | 41 | 1993 | 41 | 19 |
| M1 | 3 | 10-50 | 250+ | 2/2 | 31 | 2004 | 33 | 10 |
| M2 | 4+ | 500+ | 250+ | 3/3 | 29 | 2011 | 32 | 4 |
| M3 | 3 | 100-500 | 250+ | 1/2 | 30 | 2005 | 30 | 7 |
| M4 | 2 | 50-100 | 250+ | 1/2 | 28 | ongoing | ongoing | 15 |
| M5 | 3 | 100-500 | 250+ | 1/2 | 30 | ongoing | ongoing | 4 |
| M6 | 3 | 100-500 | 250+ | 2/2 | 29 | ongoing | ongoing | 6 |
| M7 | 3 | 100-500 | 250+ | 1/2 | 16 | 1980 | 24 | 34 |
| M8 | 4+ | 10-50 | 50-250 | 2/3 | 30 | 1995 | 38 | 27 |

Table 4: Characteristics of the interview partners included in the current analysis

interview partner. Three interviews had to be conducted via telephone, since the interview partners were unable to arrange a face-to-face meeting due to a busy schedule. These interviews followed the same procedure and were also recorded. A connection between the interviewer and the interviewee could nevertheless be established in all three cases even if it took a little longer to do so. Due to the success in creating a connection with the interview partners, the interviews were judged adequate to be included in the current analysis.

Each of the interviews followed the procedure described below. At the beginning of the actual interview, the available time frame for the interview was verified to ensure that there was no time pressure. The interviewer briefly described the purpose of the research project and explained her personal connection to the topics of succession and family businesses. Her own background was described briefly in order to signal to the interview partners that she has personal knowledge of the topic to be discussed and thereby establish a level of trust leading to openness in the following interview. Participants were again assured of the anonymous nature of the study and asked to consent to the recording of the interview. All participants agreed to this procedure. The main interview part was started with an initial question asking the interview partner to “describe or explain to the interviewer how he/she decided to become the successor in his/her family business”. Following this initial question, the following questions were adapted to each individual interview situation. These further questions derived from the literature review were prepared to furnish the interviewer with a number of questions to dig deeper and develop a further understanding of each case. Apart from the initial question, the other questions were not asked in a specific order but rather used when the conversation went in a particular direction or was stalling. At the end of each interview, the interviewer thanked the interview partner for the time taken and the effort made and requested if the interview partner would permit renewed contact, if additional questions should arise. All interview partners without exception agreed. Four male and four female interview partners were indeed contacted again and asked to fill out the successor profiling tool developed. All eight interview partners replied, providing what will subsequently be referred to as the auto or self-rating scores.

3.2.3 Transcription and anonymization

Interviews were audio recorded with the permission of the interview partners. The audio files were transcribed professionally by a designated service to prepare the raw data for data analysis with CAQDAS (Computer Assisted Qualitative Data Analysis Software) software designed for that purpose. The language in

which the interviews were conducted was German, the transcripts were therefore also in German.

The interview partners were assured of the anonymous nature of the data treatment. It was felt to be an important tool in creating an open and trusting atmosphere during the interview. The interviews are only referred to by their case synonym consisting of either the letter F for female interview partners or the letter M for male interview partners followed by a number between one and eight. All interview transcripts were made anonymous by the interviewer herself. Names of persons and places were altered.

Data pertinent to each case concerning industry, business size in terms of turnover and employees were separated. It does not contain details about the industry the family business was active in. Details about business size in terms of turnover and employees were altered as businesses were allocated to a size bracket rather than displaying the exact numbers. Allocation to family generation was treated in a similar fashion. Everything higher than the third generation is labelled as fourth generation to decrease the likelihood of identification of the business-owning family and the family business.

3.3 Successor profiling tool development

Qualitative content analysis was chosen as the method for coding of the data (Mayring, 2004; Schreier, 2012). Data in this research project was coded using MaxQDA 11.

The result of the analysis was a diagram as displayed in Figure 13 depicting the developed successor profile. The diagram includes three aspects included in the further analysis: decision steps, commitment, and influencing factors. As can be seen, the succession decision steps are located on the x-axis. The y-axis indicates the closeness or distance on a scale from 0 to 4 (see Table 5 for details).

The main influencing factors can be found in the form of arrows. Facilitating factors push the succession decision upwards towards the family business, whereas inhibiting factors push the curve downwards away from the succession decision. Commitment allocated to the three points in time is indicated below the x-axis. Generally, commitment was determined for three points in time: early commitment, joining commitment and current commitment. In those cases in which succession was completed by the time the interview took place, current commitment was indicated in the diagram as a vertical line at the end of the x-axis. Furthermore, the raters were asked to determine whether an interview included an element of emergency and the status of succession, i. e. whether succession has been completed or is on-going.

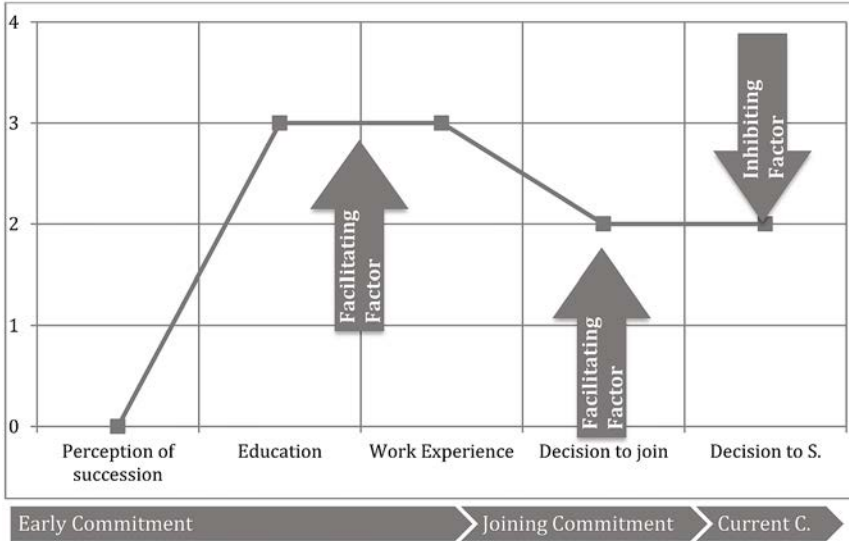


Figure 13: Example of successor profile

| | Perception of Succession | Education Choice | Work Experience | Decision to join | Decision to become the S. |
|---|--------------------------|-------------------|-----------------|----------------------|---------------------------|
| 4 | Certain | In the FB | For the FB | No choice | No choice |
| 3 | Likely | Highly relevant | Highly relevant | My choice | My choice |
| 2 | An option | General Education | Relevant Exp. | Give it a try | Give it a try |
| 1 | Improbable | Irrelevant | Irrelevant | No decision yet | No decision yet |
| 0 | No option | No education* | No experience* | Decision not to join | Decision against it* |

Table 5: Categories for each decision point (*not found in the current analysis)

4 Results

The decision to become the successor in the family business is a decision taken in a complex system of environmental and individual factors. In order to capture the personal component, successor commitment will be assessed first. Subsequently, the career decision process will be evaluated before the influences from different systems are analysed.

4.1 The successor

4.1.1 Successor commitment

Commitment describes the force making an individual feel committed to a course of action, here succession. In the current study, the analysis of successor commitment serves to assess the successors' connections to their family businesses with regard to the decision concerning active involvement in it.

In order to capture the connection to the family business and its change over time, commitment was assessed at three points in time: during childhood (early commitment), when joining the family business (joining commitment) and at the point in time the interview took place (current commitment). As a reminder, successor commitment theory proposes four commitment types: affective, normative, calculative and imperative commitment (Sharma & Irving, 2005) which were described in detail in the literature review section. Commitment is determined based on the presence and change in antecedents associated with each of the commitment types.

Each section of the following analysis will follow the same structure. In the beginning of each subsection an overview of the results and frequencies according to gender will be provided. Commitment types will always be considered in the order of affective, normative, calculative and imperative commitment.

Commitment type will be evaluated for each of the three points in time across

interviews before the progression and change for each individual interview partner is mapped and commented on.

Stage 1: Early commitment

The pull of the family business can be experienced by the business-owning family offspring during the early stages in his or her development; this is assessed by *early commitment*. It captures the feeling of a connection the successor has to the family business during childhood and adolescence. Early commitment, such as educational choice, forms the basis for later decisions concerning a future in the family business. As can be seen from Table 6, most cases could be allocated to affective and normative commitment. Only one interview partner displayed calculative commitment and none of the interview partners displayed imperative commitment. Interestingly, two interview partners did not report commitment at this early point in time of their lives, both of them female.

| Gender | Affective | Normative | Calculative | Imperative | No Commitment |
|--------|-----------|-----------|-------------|------------|---------------|
| Female | 4 | 3 | 0 | 0 | 2 |
| Male | 5 | 5 | 1 | 0 | 0 |

Table 6: Frequency of commitment types according to gender for early commitment

Nine interview partners reported elements of affective commitment during childhood or as the basis of their educational choice. This commitment type is characterised by *identity alignment* and *career interest alignment* with the family business. Identity alignment is characterised by the incorporation of the family business as part of the personal identity, as illustrated by cases F2 and F3. In a number of cases there is a clear interest in the activities of the family business and a future within it (F1, M3, M2, M4). Interview partner F1 also expresses a feeling of connection with the employees. In one case (F8), early contact with the family business sparked interest in its activities. There are parallels with case M2 who also recounts early memories of spending time in the office with his father. Similarly, M8 stresses the connection to the family and the family business already felt during early childhood. Interview partner M6 reports a general interest in the business, which influenced his decisions for future steps within. Quotes demonstrating the affective commitment attributed to these nine interview partners can be found below.

Quotes: Affective early commitment

F1: Towards the end of my university studies, I broached the subject with my father, not in the sense of succession, but rather insofar as I informed him that **I would be interested in working in the family business.**

F1: I did not see much of my father during my childhood as he was working a lot. While growing up, it became clear that the company always played an important role, you understand? Also, the **connection to the employees [was important because]**, as children we would also spend some time here. During our studies when we would come home by car, we'd stop by the company first. Not necessarily drive home **but come here first.**

F2: Of course, as children we **grew up with the products**, and even as a kid I would drive in the trucks and earn my pocket money in the production department.

F2: There is a nice story...., in the early years I would often **accompany my father on the truck** and when people would ask me my name I would say, "My name is [first name]." Asked for my last name, I would state our family name followed by the company name. So I would say there was an **early identification** with the family business. Hardly able to talk yet, but already using the company name as my family name.

F3: In every second childhood picture I am wearing our shoes and T-shirts. So there is a really heartfelt **connection** with the family's brand.

F8: As a child, when I was being a nuisance at home, [my father] would bring me here [to the business] and let me run around. **I found it all very exciting.**

M2: My first memory is of **accompanying my dad to the office** and being allowed to use the file shredder to shred some papers. My dad would take me with him to his office once in a while. I no longer remember what he did there; I was still really young. But what I do remember is **that I was already allowed to be there with him** and in his office, to be there in the business, of course not everywhere, but I was allowed to be there. That is my first unclear memory of the family business.

M3: That is what I mean when I say that it was already present in the cradle. In school, when we talked about the role of the business owner in social studies, I would be asked: "Felix, why don't you comment? Your dad is a business owner and so will you be in the future." **Experiences like that [meant that] the business was always present.** Not so long ago, I was talking to our kitchen chef, who has known me since I was a little kid. She told me that she remembers me running around the business with friends when I was around 14 or 15 years old, and her being mightily impressed upon hearing me say **that this would be my business one day.** I do not even remember that. So, that means that it was always there in my mind even if it was without conscious reflection.

M4: Back when we were an IT-service provider, the area of business we were in was **interesting to me**, and I selected my university studies accordingly.

M6: Well, **insofar as it was a topic of concern for my father or for both of us a topic of conversation.** It came up once in a while, when we were discussing what kind of education I should get and whether that would prepare me well. Or, [the alternative was] should I not think about that at all and [just]select the topic of study I like and do what I want? Those are the kinds of discussions we had; that is what we talked about. But how should I say this? Somehow I never felt pressured, well; maybe a **little pressure or passive pressure, if that exists.** Well, maybe that was the case; but it was never the case that I was told that I ought to do one thing or another. That was never the case. **There were discussions about how one ought and wants to establish oneself in life.**

(Continued)

| Quotes: Affective early commitment |
|---|
| <p>M8: Of course, that is what I grew up with. Christmas, when we were five or six years old.... we would have fork-lift-truck races here [in the company]. Therefore, I have known the business since my childhood days, you know? We were at my grandfather's very often; he had the house right next door,[and] it is still there today. Therefore, the contact was intense. I witnessed the business growing.</p> <p>M8: I do really feel...., have always felt.... that I was a [name of family]. Yes? Because my mother was born a [name of the family], and she was in regular contact with the family back when I was a child, in hindsight, of course, more than natural.</p> <p>M8: Yes, there is this unbelievable trust in the family, in [my uncle], whom I always admired, even as a child. He was a real role model, a really good guy. When he was younger, he was extremely successful; he was also pretty successful when I came into the business.</p> |

Eight interview partners were perceived to display signs of early normative commitment. Four displayed pure normative commitment, the other four exhibited normative commitment in combination with affective and in one case with calculative commitment. Quotes for normative commitment are provided below.

| Quotes: Normative early commitment |
|---|
| <p>F5: In the end, [my father] always really made me feel that I would be the one to follow in his footsteps one day since I am the one who knew how to knuckle down, who has the practical understanding, the hands on approach, who was the most similar to him.</p> |
| <p>F7: Even as a very young child I always understood that I was the one responsible. And [my mother and my aunts] always liked to delegate to me, even as a little girl. Back then, I was a total disappointment in school, a total disaster squared, but somehow, yes, somehow they were of the opinion I was to take care of everyone. And I somehow understood that to be my marching orders.</p> <p>F7: The responsibility had been drilled into me as a child somehow, and I still carry it with me to this day, despite the fact that I do not know what to do with my sister. I still feel responsible. In the relationship with my mother and my aunts I knew that I had to take care of them. [I knew] that I would have to manage it all.</p> |
| <p>F8: I would have liked very much to have worked together with my father because I was a real daddy's girl. Despite the fact that I loved my mother very much, like many girls, I was a real daddy's girl.</p> |
| <p>M1: Somehow one is born into such a business owning family, as the third generation. You go to business events where people look at you with big eyes thinking: "What is he doing now, what is he doing?" Among your friends, you are known to belong to a business and so on and so on. Of course there are certain expectations of you, but as I said before, I was always free to change my education and do something else. That would not have been a problem. But you do feel that there are certain things expected of you.</p> <p>M1: Of course, there is always that wish that one of the children—in Swabia one of the sons – my dad had two sisters—will take over the family business. But there was never any pressure put on me, [no expectation] that I absolutely had to do it, but let us just say that there were certain [unspoken] expectations there.</p> |

(Continued)

| Quotes: Normative early commitment |
|---|
| <i>M2: My mother tells the story of how, when I was in primary school where you go around with friendship books asking questions such as “What do you want to do when you grow up?” and such, in the beginning I would write things like forester and policeman, but relatively quickly I began to write “What my dad is”. I do not remember that, but that is what my mother says. What I do know is that I admired him a great deal; I do remember that.</i> |
| <i>M3: And with all the history I have – and if you listen to the stories told in the business and in the family over and over again – the founder of the company, who was the foster father of my father, always said that the firstborn son of my father would one day be the successor [...] I always say that I was born a successor; it was put in my cradle, and therefore for the longest time there was no conscious process of dealing with this fact taking place in my mind. Junior was it without being asked and with all the advantages and disadvantages connected to it. M3: When asked about it, I always say that I am one of the longest serving employees here in the company. I am my father’s firstborn son.</i> |
| <i>M5: My parents always tried to shield and protect us children from the problems connected with the family business to allow us to enjoy a carefree childhood. But somehow at some point you realize it. You reach a point where you realize that there is something that is being asked of you but which has never been talked about. And then one day, when I was about 15, it dawned on me that there was something that was being expected of me.</i> |
| <i>M7: In my generation, there was never any debate about whether or not you would do it. I was the boy in the house and that meant it was clear that I would have to do it one day.</i> |

Interview partners F5 and M5 report feeling the father’s wish early on for the child to join the family business. In the case of the female interview partner, this was explicit; in the case of the male interview partner, this wish was not verbalized but rather felt implicitly. Interview partner F7 reported having felt a sense of responsibility and obligation to the family in general already early on in childhood. This feeling also extended to the family business. In the case of interview partner F8, the connection to the family business is closely linked to the connection the interview partner reports having with her father. All male interview partners except M5 report a feeling of obligation and duty towards the family legacy, which they already felt during childhood. The knowledge that the family business would one day be theirs to lead was a certainty in cases M3 and M7.

Normative commitment is obligation based, and was therefore assumed to be closely linked to the perceived expectations of the parents and the family. The concept of expectations of parental expectations (EPE) will be looked later following the results section on commitment.

Only one case of early calculative commitment was observed. It appears that the calculation of financial, social or personal opportunity costs does not play an important role early on in the successor’s life. In an exceptional case (M1), the

successor made his decision to join the family business rather early, as his decision was also dependent on his older brother's decision for or against a future in the family business. The age difference between him and his brother made him consider his future in the family business and the opportunity costs associated with it earlier than found in the other cases.

Quotes: Calculative early commitment

*M1: The decision was taken some time ago when I was still studying. We discussed succession within the family when **my brother announced** that for him [the job of] tax consultant was a more interesting career choice, [and one that] he would want to pursue. And that meant that succession became an option for me.*

*M1: Back then the family business **would have been too small** for two managers at the top, which is why I made my **choice dependent on my brother's choice**.*

*M1: Then my brother was back on my parent's doorstep and because **I thought the business not big enough for both of us**, there was an on off situation. Which is why, in this situation I wanted to know what was going on. So, succession was an externally driven issue. It was not that I wanted the succession situation clarified, but rather that my situation became somehow unclear.*

No case of early imperative commitment was found. This is not surprising as this commitment type is "need" based, which would be rather unexpected at this early stage in the successor's life. Early commitment captures the commitment felt during childhood and adolescence, a time during which future career alternatives are generally still all open to the family business offspring.

Surprisingly, two of the female interview partners could not be allocated to either of the four commitment types, as they reported no feeling of connection to the family business early on in life. A new category was created to include those cases in which no commitment was developed during childhood and adolescence. Interview partner F4 did not grow up with her father and the family business, and therefore no commitment towards it was developed. Interview partner F6 reports no interest in the family business knowing that her sister was destined to take over. Quotes illustrating this commitment type are provided below.

Quotes: No early commitment

*F4: I am convinced that if I had grown up here in the area, I would have had a totally different connection with the family business then I have now. That is for sure. **Like this, I have no connection**, I suppose.*

F6: I have one older sister and one younger sister. My older sister had the same education and therefore a similar starting position as I did, or the other way round, since I am younger.

*F6: In short, **I never thought about a future in the family business much**, and I was never asked, but there were no negative connotations either; it was simply not a relevant issue for me.*

Interview partner M5 previously allocated to early normative commitment reported that a previous feeling of affective commitment turned into hatred for the family business when he started to perceive the business as thief of his father's attention. Implications of this observation will be pondered in the discussion section. The quotes giving rise to this observation are provided below.

Quotes: Hate

M5: The crazy thing is, it did start at some point. My father always took me into the family business when I was a small child.

M5: And then somehow it stopped. It started and then it stopped. Then he would have had to stay on track. And that is what my father did not do. He started neglecting that at some point. And a conflict began within me at that time. In the meantime, I started hating the business although I did not hate the business. Once, I reproached my father with this and said: "What are you doing? I am not interested in your shitty business," and so on and so forth.

M5: And it was not about the business. Because, God, there are worse areas of business to be in than ours. That is not what it is about. It is about my father having made the mistake of putting his relationship with the business above his relationship with me. And that is something I did not forgive him for a long time. And that is why I started attacking what was most important to him. He did not understand that. He did not understand why all of a sudden I started hating the business so much.

| Name | Affective Commitment | Normative Commitment | Calculative Commitment | Imperative Commitment | No Commitment |
|------|----------------------|----------------------|------------------------|-----------------------|---------------|
| F1 | x | | | | |
| F2 | x | | | | |
| F3 | x | | | | |
| F4 | | | | | X |
| F5 | | x | | | |
| F6 | | | | | X |
| F7 | | x | | | |
| F8 | x | x | | | |
| M1 | | x | x | | |
| M2 | x | x | | | |
| M3 | x | x | | | |
| M4 | x | | | | |
| M5 | | x + hate | | | |
| M6 | x | | | | |
| M7 | | x | | | |
| M8 | x | | | | |

Table 7: Summary of commitment types for current commitment according to cases

Looking at Table 7 for an overview of commitment types observable early in the individual development shows that early commitment appears to be rather clear cut. In only four of the cases was more than once commitment type activated at the same time. Combinations of commitment type, as well as change over time, will be considered at the end of the results section on successor commitment.

Moving on to examine the commitment types associated with the decision to join the family business, the picture becomes more complicated with different commitment types being activated simultaneously. Again, the individual quotes will be provided and discussed before patterns and co-occurrences are commented on.

Stage 2: Joining commitment

The commitment type underlying the decision to join the family business is deemed to be of particular importance as it is the basis for this crucial choice in the succession decision process. It will be described in more detail in the next results section. In a number of cases, a change in circumstances documented in the previous section on external factors can cause a change in commitment from early commitment to joining commitment. Table 8 gives an overview of the frequencies of joining commitment.

| Gender | Affective | Normative | Calculative | Imperative |
|--------|-----------|-----------|-------------|------------|
| Female | 4 | 6 | 3 | 0 |
| Male | 5 | 5 | 3 | 1 |

Table 8: Frequency of commitment types according to gender for joining commitment

It can be observed that the total number of data points allocated equals 24 and is, therefore, considerably larger than the number of cases constituting the sample of the current study. This is due to the fact that an interview case could be allocated to more than one commitment type if the primary and secondary rater agreed on a combination of commitment types as the basis of the decision to join the family business. The different commitment types displayed will be looked at individually before combinations of commitment types will be commented on at the end of this results section.

A total of nine instances of affective commitment were observed. Three of these interview partners report an interest in the challenge offered by the opportunity to work in the family business (F1, F7, M1, M6, M8). Interview partner M1 stresses the fact that the freedom and power to take decisions that a career in the family business promised were important considerations for him. Career interest alignment insofar as the opportunities offered by the family business

coincide with the wishes for the personal career, plays an important part in this commitment type. Interview partners F3, F8, M2 and M4 report that their interest in the activities of the business was roused by early experiences with the family business. Interview partner M2 describes his clear decision for a career in the family business, which can be interpreted as a sign of career identity alignment.

It is not surprising that such a large number of successors display elements of affective commitment as an interest in the activities of the family business is generally expected of a successor and might be said to be an important prerequisite for the position. Quotes demonstrating this commitment type can be found below.

| Quotes: Affective joining commitment |
|---|
| <i>F1: I also thought it would be a fantastic challenge. And the job to be done simply interested me.</i> |
| <i>F3: I did that job for three months, and I was totally enthusiastic [...] I was particularly interested in Brand Nr. 2. Back then, that was our new brand. And because the products were products you would like to wear yourself, all of a sudden there was somehow more of a connection.</i> |
| <i>F7: They did not stand a chance; they would have had to sell. And since they regarded it as their life's work, they said it would be a real shame to sell and that is why they asked me. I am always curious about new things and that is why I said: "Yes, why not!"</i> |
| <i>F8: You check if I can do it, I check, if I can do it and if I want to do it. Joining the company only out of a feeling of obligation would in the long run not bring bliss. And pretty quickly I realized that I could really fall in love with this company.</i> |
| <i>F8: And then the wires started humming, and I did find that all very exciting indeed.</i> |
| <i>M1: To be honest, it was not pride at all. My father always thinks that our name has a ring to it and is famous or whatever. I think of it simply as another company. The company is very well positioned within the market; we do have a good name. I am proud of the company. That is definitely the case, but we are not renowned business personas who enjoy a certain social status or anything. My dad always felt differently about that. In that sense, there is a legacy. I do not see it. It is the company, the opportunity to make something out of it. During my MBA there were many people who wanted to buy their way into a company, and they were all looking for a company of a size where you can really start something. I had all that. That was the perfect starting point.</i> |
| <i>M2: While I was in my university studies, I could take part in the advisory board meetings, and was assigned smaller tasks during my studies [...] and at some point it became very concrete. I cannot even pin point when that happened. That was also the point when I definitely told my dad: I want it! Not only can I imagine it and [see it as] an option but rather, I want to do it! Whether or not it would work and whether or not the advisory board would propose me for the position, I had no idea, but I wanted to do it.</i> |

(Continued)

| Quotes: Affective joining commitment |
|--|
| <p>M4: <i>And because of the costs for my university courses I was obliged to remain true to the company for 5 years, for it to be interesting tax wise. During those five years I realized that this was exactly the kind of thing that I enjoyed.</i></p> |
| <p>M4: <i>Yes, it was the project work and working closely with the clients that were the main reasons for me. The fact that the company is a family business was a different matter. The sense of that developed while actually doing the job. I realized that I had great leeway to shape things here, and I wanted to use it. I knew that this was only possible in my own company.</i></p> |
| <p>M4: <i>That led to me to be very much interested; and the deciding factor was the leeway to shape things I had as a manager of a company. Getting there was of course easier than in another company.</i></p> |
| <p>M6: <i>So there I was, sitting in the US, and I was already looking out for interesting jobs within the family business [...] And my aim back then was simply get to know the family business. And that was when I decided to do it, because I thought it was interesting, topic wise. It gave me the opportunity to get to know many aspects of the process within the industry because they all had to be mapped in the software.</i></p> |
| <p>M8: <i>And as I said, back then I was asked, if I could imagine becoming the main shareholder. Of course, that was a great question to be asked. I was 28 back then. There I am, 28 years old, being asked this question.</i></p> |
| <p>M8: <i>It was mainly the possibility to become active here in our family business that stimulated me. The conditions of the deal were not so important.</i></p> |

In eleven cases, normative commitment was observed. Interview partner F1 describes her view that she saw no alternative succession scenarios when she joined the family business and thereby expresses the sense of obligation she felt. A similar situation presents itself in the case of F7 who reports how she would have regretted her family having had to sell the family business. The feeling of obligation towards the employees motivates the female successor in case F8. Interview partner F2 illustrates how the emergency situation the family and the business found themselves in after her father fell ill, moved her to join the family business again to try and save the family legacy and wealth, expressing a strong feeling of obligation towards her family. The obligation that interview partner F5 felt to the family business as the daughter of the business owing family is clearly expressed. Interview partner F3 describes the rising feeling of obligation to the family and her father the longer she was involved in the family business. Interview partner M8 reports having felt a sense of obligation towards his uncle and the need to take over family business as there were no alternative successors. Interview partner M3 describes how he felt that the waning presence of his father made his move into the company necessary when he joined the family business. Interview partner M4 knew that a decision against the family business would be equal to a decision against his father's life's work. Despite the fact that it was explicitly said that he had a choice, implicitly it was always clear that he did not

have a choice whether to join or not. Interestingly, interview partner M4 reports that this difference in explicit and implicit communication was intentional to make sure that his father could not be held accountable for his decision if his involvement did not turn out to be successful. In the case of M5, the interview partner felt the obligation even before his father voiced his wish for his son to join the family business. He did so against his own interests and despite not knowing what would await him. His main reason for joining was the wish to become closer again to his father. This wish to maintain or regain a positive relationship with the older generation or the incumbent is a clear sign of normative commitment. Interview partner M7 joins the family business because that is what has always been expected of him; this corresponds to early commitment as this interview partner joined the family business at the age of 16 for his apprenticeship. Quotes illustrating these different types of normative commitment can be found in the table on the following page. Insights related to EPE closely connected to normative commitment will be provided at the end of this results section.

| Quotes: Normative joining commitment |
|---|
| <p><i>F1: And besides, he was of the opinion that this would be a good place for me. Also, succession was not planned in our company. I have no brother; there are no male cousins who could have been considered and selling the company was out of the question. My father would never have done that, and the external managers who were working in the company at the time were very good and well-selected, but in certain areas they showed, let us say, not so much weaknesses as potential for improvement [...] well and then, to make a long story short, during this process I came to the conclusion that I would at least give it a try.</i></p> |
| <p><i>F2: And then I said: "Fine, the only risk is that I would leave a steady, well-paid job, of course, but that would allow me to give it one last go to try to turn things around and salvage what there is to salvage.</i></p> |
| <p><i>F2: Well, let us say, first and foremost I did it to help my father. I had the choice to try and save it all, the inheritance or whatever. It was also so that my parents could enjoy a nice retirement in their house and so on. It was rather dramatic back then.</i></p> |
| <p><i>F3: And since then there was this feeling that was never there before, this feeling of responsibility for the family somehow that I wanted to take on in many areas. I also wanted to take some of the weight off my father and so on.</i></p> |
| <p><i>F5: No. Somehow there was never this feeling telling me: "Oh, this is my love, my passion, what I always wanted". No, that was not it, I don't think. I do think it was simply this responsibility of being the daughter.</i></p> |
| <p><i>F7: They did not stand a chance. They would have had to sell. And they regarded it as their lifework and they said that it would be a great shame. And that is why they asked me. And I am always curious for new experiences and then I said: "Yes, why not!"</i></p> |
| <p><i>F8: I would not have been able to bear looking at our people and saying to them, simply because it was getting a little exhausting: "Go with God, but go!". I would not have been able to do that.</i></p> |

(Continued)

| Quotes: Normative joining commitment |
|---|
| <p>M3: My career path in the big conglomerate was mapped out in detail, and therefore, it was clear what the next steps would be. That coincided with my father, who was gravely ill, getting worse again. Back then he was still the managing director in the family company but not really active in operations anymore.</p> |
| <p>M4: Well, this was the expression that was chosen to exculpate my father from any future reproach of having pressured me into anything. This would not allow me to ever say: It was you who wanted me to do it!"</p> <p>M4: In doing that I would in effect have rejected his lifework and I do not believe that that would have been possible without emotional work.</p> <p>M4: What was said, of course, was always a little different. If I were now to claim that I would not have been able to go elsewhere, my father would always be able to say: "I always gave you the free choice to do something else."</p> |
| <p>M5: And at some point, when I was about 17 or 18, he told me "Yes, you are right. It is my biggest wish that you come and join the company." I could never imagine doing that. The fact that I ended up in the family business only happened with many detours.</p> <p>M5: I thought about it long and hard: Why did I even join the company? I mean, the topic of human resources is very interesting and I know that they are vitally important. But that is not the real reason. The real reason was that I want to get closer to my dad once again.</p> <p>M5: I am doing it for my father; that is clear. And that is the thing. For me, it is always all about my father.</p> |
| <p>M7: In my generation and time, it was never even a point of discussion whether or not I wanted to do it. I was the boy in the house, and therefore it was clear that I would have to do it.</p> |
| <p>M8: First of all, there was the close relationship with my uncle. He was also my godfather, you know? When I had any problems of whatever nature, it was he I would go to, not my own father. My father was not always open to such things. Therefore, I sat down with my uncle often and he would say, "Come over!" and then we would go to the pub, drink a beer and talk.</p> <p>M8: Thinking about it now in hindsight, he had no other choice. What option did he have? I was the only chance he had. Also, the house with all the traditions and his lifework he built up after the war had to be maintained for the family. Also, his good name, allowing him to be perceived in a good light, had to be preserved.</p> <p>M8: Somehow, I felt obliged to do it. On the other hand I also saw it as an opportunity.</p> |

A total of six instances of calculative commitment were observed. As a reminder, only one such instance was observed in early commitment. Calculative commitment is based on a cost avoidance mind-set. This cost has been identified to be either financial, social or personal or a combination of the above. In the current study, personal and financial reasons were provided. Social opportunity costs in the form of a loss of status were not observed. Quotes illustrating this commitment type can be found below. The explanation will be provided subsequently.

Quotes: Calculative joining commitment

*F1: Concerning my professional career, the family business was not the only option I considered. I also applied and talked to some other companies. My father just observed at first until finally **he asked me if I thought that I was approaching my job search the right way, especially considering that I had two small children and would always be asked to explain every time I came to work an hour later or had to leave an hour earlier. He reminded me that managing job and family as a single mother would be a great challenge.***

*F4: I started working here and that was fine since my stance back then was: "Great! I will work here until **children come along, and then I will stop working anyway.**"*

*F4: When my time off work as a mother came to an end, I decided, or we decided: I will start working again right away simply to have all the social and retirement payments covered. Therefore, **I started working on Saturdays under the 400 Euro rule.***

*F6: Well, then I started thinking about it. As a manager in a big company **there is always someone superior to you.** If you get along with them, that's fine, but if you do not, it is not. Back then, I worked with a speaker of the management board I did not get along with, so, well, that for sure influenced my decision. Furthermore, I had to **move a lot for the job**, had to move my son from school to school. It was this that finally moved me to say I will do it. Additionally, I wanted to put everything I had learned to good use in our company.*

*M3: We had an advisory board I also had a seat on. **Power on the board was shifting;** my father's presence was waning not only in the operative management but also in his role as shareholder. The board reporting to him started to develop a life of its own so that I started asking myself: Do you want to be an employed manager elsewhere or **do you want to grab the last opportunity to join the family business?** I had the feeling that the board was becoming the dominant player in deciding where the company was going. The board members were all external people and on the other side stood a professional manager leading the operative business. Therefore, **the opportunity to join the business as a family member would not really have been possible anymore at a later point in time.***

*M5: Back then, to be honest, my career as an artist was still in its very beginning. I was unsure how that would progress. Therefore, my **financial situation was rather unstable.** Art was always my dream, and it is also what makes me happy. But you never know if that is going to work out. There are many people dreaming of making it as an artist, but how many actually make it? I thought about it long and hard. Then I talked with my father again who then also lured me a little bit. He said: "Why don't you come into the company and have a look? You join us and get a fat **starting salary and company car.**" And then I said: "I don't know." But I thought about it some more until I said, "Okay, have a look at it. **You can always quit again.**" And that is when I started working in the company.*

*M6: And then I decided to do it because I **found the task interesting.** It allowed me to get to know all the processes, many of the processes, within the industry early on in my career since they all need to be mapped in the software, too. It was also **personally very interesting for me since at that point in time I had two small children and I could not imagine staying abroad and remaining abroad forever.***

All three female interview partners mention the need to combine work and child-care demands as reasons for considering joining the family business. This gives support for the inclusion of personal opportunity costs to be included in the antecedents for this commitment type as suggested by Otten-Pappas (2013). Interview partner M6 also reports that the option to be close to his children is a factor to consider. This is the first instance in which a male interview partner has

been found to display calculative commitment based on the desire to combine work and child-care responsibilities. Interview partners F6 and M4 expressed importance of an increase in power and freedom when considering a move into the family business. Interview partner M5 describes how he decides to join the family business on a trial basis, also swayed by financial benefits, suggesting financial gains as a factor to contemplate when joining the family business.

Only one case of imperative commitment was found. Interview partner M7 describes how he had little alternative but to remain in the family business, as he was not trained for anything else. He expresses that if the family business had been sold instead of his taking over as successor, his future career in another business would have been rather difficult. This shows that the lack of alternative future career opportunities for the successor played an important role in his decision to take over management of the company from his previously unexpectedly deceased father. The quote illustrating this commitment type is provided below.

Quotes: Imperative joining commitment

M7: The alternatives would have been to either get someone for the business or to sell the business. I was educated to do it. Doing something else would have been relatively difficult for me.

*M7: Yes, I was **conditioned for nothing but this.***

It can be observed from summary Table 9 that in eleven of the cases more than one commitment type could be observed to coexist. In the remaining five cases, a single commitment type was observed, two of which are normative, two affective and one purely calculative. Concerning the combinations of commitment, the following could be observed. In five cases a combination of affective and normative commitment was observed. One additional case displayed a combination of affective, normative and calculative commitment. A further two cases were found to display a combination of affective and calculative commitment. One case showed a combination of normative and imperative commitment. The last two cases showed a combination of normative and calculative commitment. All possible combinations between affective, normative and calculative commitment appear possible. Imperative commitment has only been found in combination with normative commitment so far as only one case displayed this rare commitment type.

There is no discernible pattern of commitment types according based on the gender of the interview partner. It becomes apparent that commitment as the basis for the decision to join becomes more complex than early commitment in which all but one interview partner could be allocated to a single commitment type.

| | Affective Commitment | Normative Commitment | Calculative Commitment | Imperative Commitment |
|----|----------------------|----------------------|------------------------|-----------------------|
| F1 | x | x | x | |
| F2 | x | x | | |
| F3 | x | x | | |
| F4 | | | x | |
| F5 | | x | | |
| F6 | x | | x | |
| F7 | | x | | |
| F8 | x | x | | |
| M1 | x | | | |
| M2 | x | | | |
| M3 | | x | x | |
| M4 | x | x | | |
| M5 | | x | x | |
| M6 | x | | x | |
| M7 | | x | | x |
| M8 | x | x | | |

Table 9: Summary of commitment types for joining commitment according to cases

In the subsequent section, the commitment type of the interview partners associated with the point in time when the interview took place will be looked at in detail.

Stage 3: Current commitment

The commitment type at the point in time in which the interview took place captures to what extent time spent in the family business affects commitment type. It should be noted that the time elapsed between joining the family business and the interview varies considerably from one interview partner to another. The shortest time span is less than 12 months; the longest is over 30 years (see method Section 3.2.1 for details). Table 10 gives an overview of the commitment types observed. As can be seen, an additional commitment type labelled “letting go” was added to the matrix. The reasons for this inclusion and the rationale behind it will be provided at the end of this results section. Combinations and commitment changes will also again be commented on at the end of the current subsection.

| Gender | Affective | Normative | Calculative | Imperative | Letting go |
|--------|-----------|-----------|-------------|------------|------------|
| Female | 6 | 3 | 2 | 1 | 1 |
| Male | 6 | 4 | 1 | 3 | 1 |

Table 10: Frequency of commitment types according to gender for current commitment

Six male and six female interview partners were found to currently display elements of affective commitment towards the family business. Due to the large number, the quotes for male and female interview partners were separated to increase readability.

Concerning the six female interview partners, the following could be observed. When asked to describe the importance of the family business and her personal identity at the current point in time the female interview partners surprised the interviewer with a number of emotionally charged answers. Interview partner F1 calls the family business “her baby” and stresses the strong emotional connection between herself and the family business, a feeling that has built up over the years. Similarly, interview partner F5 compares the family business not to a “child” but to a “lover or friend” who is dear but is also viewed critically. Interview partner F8 reports having fallen in love with the family business quickly after her arrival. Interview partner F2 describes how she is emotionally moved when she encounters one of the family trucks on the road, also providing a strong image of affective commitment for her family business. These descriptions suggest full identity alignment with the family business. Interview partner F6 makes explicit that she identifies with the business and its success, but that she does not feel grateful for the opportunity offered to her because the price she paid was very high. This is also a strong example of full identity alignment and therefore affective commitment. Quote illustrating this commitment type can be found below.

| Quotes: Affective current commitment (female interview partners) |
|--|
| <i>F1: I have the strongest emotional connection with this company because I made it what it is today. For me, this business is my baby.</i> |
| <i>F2: Of course, when I see one of our trucks on the road, my heart soars; I am happy and I wave to the driver. I enjoy it every time.</i> |
| <i>F3: Somehow we were so happy to all be back here together and that things were going well. Each of us has found what makes her happy, and we simply enjoy it while it lasts without thinking about how it might work out in the future.</i> |
| <i>F5: No, the business is not like my third child. It is a lover, maybe you could say that. It is not my one true love, but it is my love, maybe a beloved friend, a beautiful thing, but also something you get angry about; you are happy to get together sometimes, something you like doing, but you also sometimes need a break from it.</i> |
| <i>F6: The price was high, but today I do not have to thank anybody for owning the family business. I am my own boss; I do things my way, and I know that we are successful doing it and will be even more successful in the future. [...] I think that is great and I really enjoy it.</i> |
| <i>F8: Doing it purely out of a sense of duty would not make anyone happy in the long run. And I realized pretty quickly that I could really fall in love with this company. F8: And then all of a sudden I was working across the street, got to know production and by that time I was totally infatuated with it.</i> |

The male interview partners' displays of affective commitment are less emotional in nature. M1 describes how he enjoys working in the family business too much to consider selling it, despite the fact that there would be ample opportunity to do so. Interview partner M3 explains that he enjoys the product and the challenges associated with it; nevertheless, it is not his "passion". Enjoyment of the job is equally understood as a sign of affective commitment, however. Interview partner M6 also refers to career interest alignment when describing his current situation within the family business. Interview partner M8 describes how he has really made the family business his own by leading it into a new era. He describes his passion for his involvement in the family business. Quotes illustrating affective commitment of the male interview partners can be found below.

| Quotes: Affective current commitment cont. (male interview partners) |
|---|
| <p>M1: <i>We are regularly asked if we want sell our business. The opportunity is there, but it is simply still too much fun!</i></p> <p>M1: <i>I have the greatest respect for entrepreneurs building their own businesses. I almost think succession might be easier. I have the opportunity to shape things the way I want to. That is a big part of it and that is really fun. I would not say that I did not also feel a certain responsibility but I never regretted it. What I enjoy the most is the opportunity to shape things.</i></p> <p>M1: <i>Right now I have a few problem areas, which means that for the last one and a half to two years I have been coming in at 6:30 in the morning. I do not stay very late at night, but I spend most of my waking hours here in the business. Therefore, the business has become a very, very, very, very, very, very large part of my identity.</i></p> |
| <p>M3: <i>My passion? No. I can say that with certainty. It is a great product, you know? Selling screws would probably be a lot harder for me. It is great; you have a natural product you work with. The customers are exciting, very dynamic, often very complicated, and very close to what we do here. But I am not passionate about it that is for sure.</i></p> |
| <p>M4: <i>[The company] is my life [...] sometimes I take my son with me to work; he is now three, he will be four [...] And therefore he is learning what kind of business it is. I want to teach him the entrepreneurial values. I think that is very important.</i></p> |
| <p>M5: <i>I am doing it for my father; that is clear. And that is the thing. For me it is always all about my father. What is next right now is that I will have to take my own decision. That is easy for me. I am not going to the other company for my father. That was my decision, I made it for myself. I also now need a decision for myself. That means that once I take my decision, I will also take it for myself and not for my father. That is the wrong reason. But much of what came before was for my father.</i></p> |
| <p>M6: <i>The only thing I can do is take an interest in the company, want to work here and want to have a positive effect on things. I have found a good, interesting and exciting job and that is what I am doing now.</i></p> |

(Continued)

| Quotes: Affective current commitment cont. (male interview partners) |
|---|
| <p>M8: <i>I brought it all back into the hands of one shareholder. I paid it all off during my time. I established a new business model. That sounds easy, but that is how it was. And because of all that, I do not see myself as heir, you understand? I am the one who turned this thing around and took it into the new millennium. And that was also the opportunity. In hindsight, I think it is great that I am not the one who simply inherited the company but the one who initiated the things that make the company so successful today.</i></p> <p>M8: <i>When I leave work, I stop thinking about the topic. I love what I do and I do it passionately, but I don't take it home with me. That would be a burden for me. I can really switch off quite well.</i></p> |

Seven interview partners were judged to display signs of normative commitment. Interview partner F4 describes her commitment to the family business by giving the history of said family business. She says that she remains within the family business because she wants to try and save that family legacy. Interview partner F5 remains due to the feeling of obligation; for her, the succession process can never be completed, even with the death of her father. Interview partner M2 states clearly that he sees himself as the custodian of the family business rather than as its owner. He serves the family business, which conveys a sense of duty and obligation that needs to be fulfilled. This was therefore seen as an indicator of normative commitment. Interview partners F8, M3 and M8 expressed similar thoughts concerning the wish to transmit the family business to the next generation. Not taking care of the family business would have been equal to “desertion” for interview partner M3 evoking a military analogy strongly related to service and duty. Interview partner M5 makes it clear that the family business in his eyes is his father’s business. His involvement with the family business is motivated by a feeling of obligation towards his father and what he calls his father’s “baby”. Illustrative quotes can be found below.

| Quotes: Normative current commitment |
|---|
| <p>F4: <i>Despite it all, it was the right decision for me to say, “Yes I want to do it!” Firstly, the company has been in family hands since 1908 and that would make me the fourth generation to lead this company. Of course, that is a nice legacy. In this region, we are the largest and the last remaining family business of that size. That makes us the top dog to some extent. We are quite well known in the area. It would be a pity to give that up, on the one hand. On the other hand, our stores are well situated and well talked about in the industry. That is why I see a real chance of survival for the company.</i></p> |
| <p>F5: <i>Somehow there was never this feeling telling me: “Oh, this is my love, my passion, what I always wanted”. No, that was not it, I don't think. I do think it was simply this responsibility of being the daughter.</i></p> |
| <p>F8: <i>It was not duty, despite the fact that the older generation would have a right to tell us that there is a duty to fulfil. After all, it is not only about oneself but also about other people, employees, and the lifework of multiple generations.</i></p> |

(Continued)

| Quotes: Normative current commitment |
|--|
| <p>M2: <i>If I said it was my company, for me that would imply that I am free to do with it what I want and as I please. In my opinion, that would not be right [...] It is rather the case that I, as manager and shareholding manager, have to serve the company. If I do not do that well, I should not have this responsibility.</i></p> <p>M2: <i>I regard– now comes the schizophrenic part–I do also regard the company as my own. I do not see it as an abstract asset but rather as something I need to serve, not the other way round. Please excuse the pathos. The company does not exist to give me a good life. If that were the case, I would say it is my company.</i></p> |
| <p>M3: <i>It is my inner conviction that my task is to take this company into the future and hand it over to the next generation. Desertion would not have been an option because of that [...] I really should have left since I did not have the energy to shape the restructuring. I said I could not do it, but I had to get through this. Also, in hindsight, I have to say that it was the right decision because now I have structured things in the way I think is most ideal for me.</i></p> |
| <p>M5: <i>When you come into the company, you build up your own network. You get to know the people and care about their fates. And that is something you do not want to let go of again. You want it to go on. That is important to me.</i></p> <p>M5: <i>It grows on you. It is not the company as such, but the people you are in contact with. And you become fond of it. You cannot help it.</i></p> |
| <p>M8: <i>That means I experienced three generations intensively. And I see myself. For me the most important thing is to hand a healthy business over to the next generation. That is my motivation, you understand? To maintain a business, hopefully as a family business. I could sell it any day if I wanted to. I receive some crazy offers. But what for? I do want it to stay within the family. One dogma we left behind is that the company always needs to be led by a shareholding manager. I want it to remain a family business. What management will look like is something we are currently working on.</i></p> |

Three interviews were found to show signs of calculative commitment at the point in time when the interview took place. Interview partner F3 has not taken the final decision to take over the family business yet. One consideration for the future in the family business is the need to combine her involvement with the wish to have a family and children. This consideration of personal needs concerning the family business was understood as a sign of calculative commitment. Interview partner F4 is also not yet fully established in the family business. Her main focus rests on financial considerations and the influence her involvement has on her as a person, her career and her financial situation. Interview partner M4 also states clearly that preserving the wealth of his family is a relevant and important aspect of his commitment towards the family business. Quotes illustrating the above made inferences are provided below.

| Quotes: Calculative current commitment |
|--|
| <p>F3: <i>If we were to decide to do it, I would have to learn more about different areas of the business. That would also mean that I would need somebody else working with me on brand 2 to take some of the work off my hands to give me time to look into all the other areas of the business. I like what I do very much, and everything is quite good as it is right now. But thinking ahead, I am not sure, I do in any case—I do want to have children one day.</i></p> <p>F3: <i>And I do not want to wait five more years but I want them rather soon. At least, that is what we are thinking about. There are many variables in family planning. We do not have the right solution for all that at the moment.</i></p> |
| <p>F4: <i>I committed to this and I stand by my decision but I am stuck. I am in my mid-forties. Somehow, I need to move forward. I have an excellent education and I do not wish to remain a Prince Charles forever. Additionally, I cannot make ends meet with the money I am earning here at the company. Therefore, I need to come up with something.</i></p> <p>F4: <i>This emotional level is totally gone. Today, I view the business in a way that I say: great that it exists. Nice that such a family business exists. It would be great to be able to keep it, but that only makes sense if it is economically viable and manageable. Otherwise, it makes no sense and a different decision needs to be taken. Maybe we need to say: Up to now it has been a great time, more than 100 years of history, but everything has its time. When it is over, something new will start. If I were emotionally more entangled, I think that would be much, much harder for me.</i></p> |
| <p>M4: <i>Continuing my father's work is also very important since in the end the family wealth is dependent on it.</i></p> |

A total of four interviews were found to display imperative commitment. All interview partners express a certain “lock-in” to the family business. Interview partner F3 describes how she can now not imagine doing anything else career wise despite the fact that she has not definitively decided to become one of the successors of her family business. Interview partner F5 describes how she never considered working in another business as she was reluctant to leave her comfort zone. Interview partner M6 stated that despite the fact that he would theoretically be free to leave the family business, his fear of failure in the family business and the inability to leave are considerations related to his current position within the family business. Interview partner M4 explains that thinking about a career away from the family business is impossible as the management team is not designed to take over his responsibilities or those of his father. Interestingly, this indicated that the locked-in situation can be produced not only by a lack of alternatives for the successor outside of the family business, but also in the case of M4, the situation in the family business would not allow him to leave even if he wanted to. This is strongly linked to the feeling of obligation for the family business, evident in normative commitment also associated with the current commitment of interview partner M4. Descriptive quotes are provided below.

Quotes: Imperative current commitment

F3: *Neither my sister nor I can imagine working anywhere else. That is something that is deep inside of you, which always made you think no, I want to do my own thing. It is hard to imagine starting work in another office now... not possible.*

M4: *Let us just say, I have thought about working in another company if simply to reflect on how it would be to be working elsewhere. But I never really considered doing it. There were one or two situations, in which I did take it more seriously, but it never led to sending an application or even really researching which other companies would be an option.*

M4: *And then there is the fact that there aren't really any other suitable employees with leadership potential in the company who would be able to take over management if I left.*

M5: *I am dependent on it all more or less, definitely financially.*

M6: *Maybe this is a personal thing, but I have a lot of respect, maybe even fear, of taking on too much. If you make big plans, you open the door for disappointment. I do not want that. I am convinced that all I want to do is a good job, progress and grow into my tasks. And if I do that well, if I have grown into my position, then I can start thinking about the next steps. You know, as a family member, in that respect you are not really free. Failing is worse for you than for others, you understand. What I mean is that when others fail they can simply say that it did not work I out; I'll go somewhere else, and maybe it will work out there. For me, that is not really an option. I mean, it is an option, but not one I find particularly appealing. I know that I might fail. I fail all the time, and I make mistakes, all the time. I have gotten used to it. But I do want to get it right somehow, of course. And I believe that if I put a lot of pressure on myself by saying, "Damn it, now I am 40 or 42, and I am still not part of the board and so on and so forth, what will become of me?" I believe that what will happen, will happen on its own, or it will not happen at all. It all depends on how well I do here at my current position.*

Taking a broader look at the commitment types associated with the current situation of the interview partners, it can be observed that 28 data points were allocated (see summary Table 11).

Two interviews, which corresponded to those with participants who are already of a more advanced age, preparing or just completing the next generation transition in their family business, could not be allocated to a current commitment type (F7, M7). Their commitment is now directed towards letting go of the family business and handing it over to the next generation. It was interesting to observe that in those instances the four commitment types are not applicable anymore. The implications of this observation will be further elaborated on in the discussion section on commitment.

In five cases pure commitment was observed of which four correspond to affective and one to normative commitment. In eight cases combinations of commitment were observed. One interview partner displayed a combination of normative and calculative commitment. Two interview partners displayed a mix of affective, normative and imperative commitment.

| | Affective Commitment | Normative Commitment | Calculative Commitment | Imperative Commitment | Letting go |
|----|----------------------|----------------------|------------------------|-----------------------|------------|
| F1 | x | | | | |
| F2 | x | | | | |
| F3 | x | | x | x | |
| F4 | | x | x | | |
| F5 | x | x | | | |
| F6 | x | | | | |
| F7 | | | | | X |
| F8 | x | x | | | |
| M1 | x | | | | |
| M2 | | x | | | |
| M3 | x | x | | | |
| M4 | x | | x | x | |
| M5 | x | x | | x | |
| M6 | x | | | x | |
| M7 | | | | | X |
| M8 | x | x | | | |

Table 11: Summary of commitment types for current commitment according to cases

The final results section on successor commitment will investigate the concept of parental expectations after the complete picture of commitment type change over time has been provided.

4.1.2 Change in commitment over time

After having assessed commitment at three different points in the succession process, the next step in the analysis will be to assess and evaluate changes in commitment type over time for individual interview partners. Summary Table 14 shows the allocation of commitment types for each of the interview partners.

The change over time in commitment type draws a picture of the succession process characterised by shifts and changes. Only one of the interview partners displayed the same combination of commitment types over time. Twelve out of 16 interview partners were found to display current affective commitment. The high percentage of this commitment type was expected, as a previous study (Otten-Pappas, 2013) had already shown a general shift towards affective commitment over time for female successors. It should be noted that the number of successors displaying affective commitment was already relatively high in early and joining commitment. Out of the twelve interview partners in this category, seven displayed affective commitment albeit in combination with other commitment types throughout. A total of five interview partners not

displaying affective commitment were found to do so during the interview. The current study can therefore only give limited support to the finding that a general shift towards affective commitment can be observed. There are no measures to objectively assess commitment strength. Otherwise it would be interesting to investigate whether the strength of affective commitment increases over time.

Of the five interview partners displaying early normative commitment (F5, F7, M1, M3, M6) four also display normative joining commitment. Only one interview partner (M3) displays normative commitment over all three assessment points, albeit in combination with affective commitment in the last assessment. One of these interview partners (F5) displays current commitment as a mixture of affective and imperative commitment. Interview partner M1 goes from normative, calculative commitment towards pure affective commitment. Interview partner M6 progresses from normative to affective-calculative and finally to affective-imperative commitment.

Of the two female interview partners (F4, F6) who did not express a connection to the family business during childhood, both interview partners display affective joining commitment. In the case of F4, affective commitment develops in combination with calculative commitment first, which subsequently develops into a combination of normative and calculative commitment. In the case of F6 the commitment starts out as affective joining commitment and remains affective until the last of the three assessment points.

| | Early commitment | | | | Joining commitment | | | | Current commitment | | | |
|----|------------------|---|---|---|--------------------|---|---|---|--------------------|---|---|---|
| | A | N | C | I | A | N | C | I | A | N | C | I |
| F1 | x | | | | x | x | x | | x | | | |
| F2 | x | | | | x | x | | | x | | | |
| F3 | x | | | | x | x | | | x | | x | x |
| F4 | | | | | | | x | | | x | x | |
| F5 | | x | | | | x | | | x | x | | |
| F6 | | | | | | | x | | x | | | |
| F7 | | x | | | x | x | | | Letting go | | | |
| F8 | x | x | | | x | x | | | x | x | | |
| M1 | | x | x | | x | | | | x | | | |
| M2 | x | x | | | x | | | | | x | | |
| M3 | x | x | | | | x | x | | x | x | | |
| M4 | x | | | | x | x | | | x | | x | x |
| M5 | | x | | | | x | x | | x | x | | x |
| M6 | x | | | | x | | x | | x | | | x |
| M7 | | x | | | | x | | x | Letting go | | | |
| M8 | x | | | | x | x | | | x | x | | |

Table 12: Change in commitment type over time

The current analysis shows that nearly all combinations of commitment and progression over time appear possible. No easily apparent differences between male and female interview partners were found.

The results reported here will be integrated with the other two results sections when considering succession career pathways in the final results section. Implications for theory and practice will be discussed subsequently.

4.1.3 Expectation of parental expectations

In this last results section concerning commitment, insights concerning the concept of EPE will be reviewed.

Normative commitment is obligation based, and therefore expected to be strongly influenced by the successors' perceptions of their parent's expectations of them. In order to further investigate this proposed link between EPE and normative commitment cases were divided into three groups: those displaying early normative commitment (Group 1: F5, F7, F8, M1, M2, M3, M5, M7), those displaying normative joining commitment but no early normative commitment (Group 2: F1, F2, F3, M4, M8) and the rest (Group 3: F4, F6, M6), of which only one (F4) displayed current normative commitment. Interview partner F4 was also the only for which EPE was not assessed as she did not grow up with her father and his expectations. This also demonstrated that there are only two cases (F6 & M6) that did not display normative commitment at any of the three points in time assessed in the current study.

Looking at similarities and differences between and in-between the three groups, the following insights become apparent. Four EPE styles seem to emerge. Interview partners who felt they were born to be the successor (Group 1: F7, M3, M7) can only be found in the first group displaying early normative commitment. Quotes for EPE can be found below.

Quotes: Born as successor

*F7: Even as a very young child I always understood that I was **the one responsible**. And [my mother and my aunts] always liked to delegate to me, even as a little girl. Back then, I was a total disappointment in school, a total disaster squared, but somehow, yes, somehow they were of the opinion I was to **take care of everyone**. And I somehow understood that to be my marching orders.*

M3: And with all the history—and when you hear how the [story of the business] and [all that] is always retold in the family, the founder of the business, my father's foster father, always said that Hans's first born son will be the successor [...] So, I always say, I was born the successor and knew from the cradle [that I was]. There was no lengthy discussion process. Junior was simply not consulted [about the future plans]—with all their advantages and disadvantages.

(Continued)

| Quotes: Born as successor |
|--|
| <p>M7: <i>In my generation, there was never any debate about whether or not you would do it. I was the boy in the house and that meant it was clear that I would have to do it one day.</i></p> <p>M7: <i>But in my generation that was typical; the older generation after the war had built something up and had enjoyed [little in the way of] free time and personal things... [they] had put all their entrepreneurial strength in it, and had done it so their children would have a future....and for them it was unthinkable that one could not do it. Well, yes, perhaps if they [the children] could not do it...they could somehow manage, [and if so] then they had to [carry on].</i></p> |

There are two cases in each of the three categories in which the interview partners report having felt the freedom to do what they chose to do despite the presence of normative commitment in the cases of the first two groups (Group 1: F8, M2; Group 2: F2, F3; Group 3: F6, M6).

| Quotes: Freedom to choose |
|---|
| <p>F2: <i>Yes, because our parents gave us the freedom to choose; they said, „We have a business; we have four daughters, but we are giving you the free choice.“ They believed that daughters are just as capable as young men are, you see?</i></p> |
| <p>F3: <i>A lot [of people], looking back....one might also think....that my father perhaps engineered it very cleverly [in that] he gave us total freedom in that respect.</i></p> |
| <p>F6: <i>And it was absolutely clear that my older sister would take over this business, and that my father, who took over this firm in 1969 with 30 employees and that was bankrupt, finished, that he, well, that then he could do with his wealth [how he pleased]....my father was always there....so I came to terms with that and I mostly do what I think is right. We never had the expectation that [with] what we inherited or [with] the firm, how that all would be; rather our father would do it or not [and] we had to simply take our lives in our hands.</i></p> |
| <p>F8: <i>I think my father [must have] suspected something [like that]; His secretary told me that he was once sitting here in the office and he said, „Despite it all, I think she will come one day.“ It must take a tremendous amount of love to let someone go and say, „Go and figure it out for yourself.“</i></p> <p>F8: <i>There were no assumptions. So, there was also [none of] this thing of, the son will be reared so and the daughter so'. I mean, my father was born in 1906, and my mother was born in 1922. One could have assumed that [would be their take on child rearing]. Absolutely not. We were [treated] absolutely equally in our education; we had....this also, as they say, this possibility to choose, both freely.... and it was not predetermined.</i></p> |
| <p>M2: <i>Then my father and I had a talk, and he said that now was a pivotal point in time. You know that your sister isn't interested; your brother has long known that he won't do it, and you are still quite young to give an answer. I won't hold you to a definitive answer now, but I would like to know if it is something you could imagine doing or [that you say] no, it is out of the question. Then I thought about it, [and] told him that I would [consider] it, [and] could imagine [taking it on], but I couldn't promise.</i></p> |

(Continued)

| Quotes: Freedom to choose |
|---|
| <p><i>M6: For my father or for both of us it was only a talk. It repeatedly played a role in what kind of education I should obtain. And will that prepare me well for the role I would one day occupy? Or should I not think about it and just study and do what I want? So, that kind of debate. And we talked about it. But, how shall I say it, I never felt pressured or anything [like that]...well, maybe a gentle pressure or passive pressure, if there is such a thing. That may have been there, but there was none [of the] you must, you should, you can or such. None of that. There were simply discussions about how to organize one's life, how one wanted to live.</i></p> <p><i>M6: So, it was the case that we had a very elaborate set of requirements that [anyone who] was a potential manager had to fulfil. We were all aware of it and knew the rules. That alone makes an impression, well, you have it in mind, that is to say, okay, I have to know two languages. And I must have one, but better two, university degrees. And so on, and so on, and so forth. That alone gives you an initial direction. And then, of course, we talked about it. For my father it was naturally an important topic whether or not I would join the firm.</i></p> |

It appears that in four cases the incumbent did not make his expectations explicit, but the expectations and wishes were communicated implicitly (Group 1: M1; M5; Group 2: M4, M8). In one of these cases (M4) the successor voices the opinion that his father said one thing but felt the other in order not to be held accountable if the successor complained about the course of the succession process.

| Quotes: Implicit expectations |
|---|
| <p><i>F5: That is a non-verbal message. I am convinced that contrary to my sister, I am the son he never had. I am a different [kind of person] than my sister. And I believe that, like him, I made a decision to say, „I am going to do this now and establish this business“ I mean, he was also in his late 40's. It was also a feeling he always gave me that: one day in the future you will follow in my footsteps because you are the practical one, the hands-on type and you are most like me and that is why you will do it.</i></p> <p><i>M1: Naturally, they always want the children to take over the business—in Swabia, the sons—my father has two sisters. There was never pressure on me to do it, but it was [more] let's say, a certain expectation that was there.</i></p> <p><i>Interviewer's question: And now you said that you were always free to do something else. Did you really feel free [to do that]?</i></p> <p><i>M4: No, of course not. (...) That was an expression that was chosen to exculpate my father from ever having forced me to do anything. So that there could be no argument [such as] well, you were the one who wanted me [to do it].</i></p> <p><i>M4: Of course, what was said was a bit different, and if I maintained that it wasn't that way, then [the answer] would be, „I always said you were free to do what you want.“</i></p> |

(Continued)

| Quotes: Implicit expectations |
|--|
| <p>M5: <i>Eventually you notice. Eventually, you reach a point, at which you understand that there is something being asked of you. But it's never said out loud. And some time, when I was about 15 or so, it dawned on me that something was expected of me. So, for year I worked on my father and said, „So [dad], just tell me what you want.“ Then it was not entirely uncomplicated between my father and me. In puberty things became very heated. M5: And at some point, when I was about 17 or 18, he told me “Yes, you are right. It is my biggest wish that you come and join the company.” I could never imagine doing that. The fact that I ended up in the family business only happened with many detours.</i></p> |
| <p>M8: <i>Up until my father died in 1985, nothing was ever said about whether one of his sons would become his successor. It was the opposite of what my uncle had [arranged] with me, who had really considered his successor very carefully, contract, lawyers and evaluated qualities and interests. The story goes that the two of them talked when my father was still alive and that my uncle told him that he would want me to be his successor. Allegedly my father replied „Okay, I would prefer an engineer anyway, and that would be the older son then.“</i></p> |

Three successors report having had the feeling that their fathers wanted to shield them from the burden of the task to be performed (Group 1: F5; Group 2: F1). Both of them were female.

| Quotes: Wish to shield the successor |
|---|
| <p>F1: <i>Firstly, there were a few points concerning which he thought that they might be difficult for a woman. The second topic, that he always mentioned – but we never talked about, was the lifestyle that I had as a single mother with two children and a full-time job – always a lot of pressure – a lifestyle that he wouldn't have necessarily wished for his daughter. He would, I think, have preferred for me to have an easier life.</i></p> |
| <p>F5: <i>I think, too, that [because] we are two daughters, there is another difference whether one has a son or a daughter. And I also think, that in the end perhaps, he also thought, „Will they manage, and so on and so forth.“</i></p> |

Overall, it becomes clear that EPE is an important part of normative commitment. The way parents express their expectations, explicitly and implicitly plays an important part in the development of normative commitment. Further exploration of this connection can be found in the discussion chapter.

The following section will describe the findings related to the stages in the succession decision process.

4.2 Succession career decision process

The following results section will present the findings related to succession as a career developmental process. It will analyse the career decision process according to the stages of the career decision making model described in detail in section 2.2.3.

Finding an answer to the question of how an individual takes the career decision to become the successor of his or her family business is the aim of the following analysis. The definition of decision making and therefore the research question presupposed that there is a choice among several alternatives. In this context the choice to be made is between the alternatives to become the successor or not. All interview partners were working at the management level in their family business at the time of the interview, suggesting that the decision to become the successor had taken place previously.

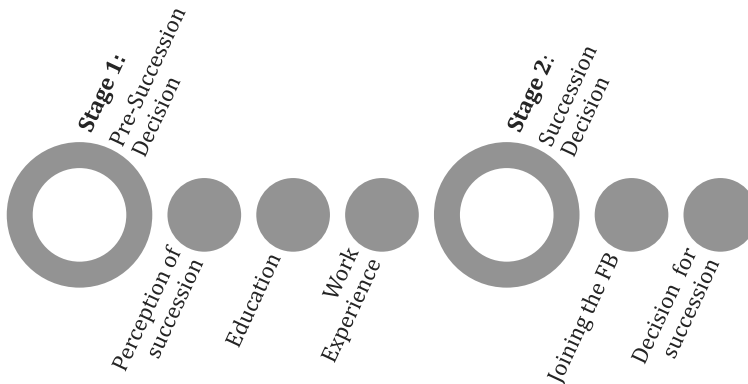


Figure 14: Overview over the steps in the succession decision process to be analysed

Similar answers will be grouped to form a classification. Classifications will be ordered and placed on a continuum. Each classification will be described in detail. Quotes documenting why a case was allocated to a certain category can be found beneath the description. Frequencies for male and female cases for each classification and stage will be reported. Finally, the individual career decision pathways will be presented and discussed.

4.2.1 Perception of succession as future career

| Gender | Certain | Likely | Possible | Improbable | No option |
|--------|---------|--------|----------|------------|-----------|
| Female | 2 | 0 | 3 | 2 | 1 |
| Male | 2 | 1 | 3 | 1 | 1 |

Table 13: Frequency of perception of succession as future career according to gender

The first step in the succession decision process is the perception of succession as possible future career. The interview partners' answers illustrate whether they themselves perceived succession as a future career alternative during adolescence and childhood. Self-perceptions as successor were grouped into five different categories. The labels chosen to describe the different categories are: *certain*, *likely*, *possible*, *improbable* and *no option*. Each of these categories will now be described in turn. The frequency of occurrence according to gender can be found in Table 13.

In four of the 16 interview cases, the interview partners expressed that they were always aware or became aware of the fact that they were expected to one day choose succession as their career destination very early. In cases M3 and M7, the awareness of the future in the family business was present at birth. Both of them were born as the successors and well aware of it. The interview partner M7 links this to when he was born, a time in which the status quo would not be questioned. In the case of M3 the process was not called into question at first, but it is implied that this happened at a later stage. Also in case F5, the expectations of the father were felt even without their explicit expression. In case F7, the feeling of being the successor is linked even more prominently to the need to take care of the other members in the family than to the awareness of the family business. The expectations explicitly expressed and those implied are an important aspect of this early "selection" as designated successor.

| Quotes: Perception of succession as certain career choice |
|---|
| <i>F5: That is a non-verbal message. I am convinced that contrary to my sister, I am the son he never had. [...] It was also a feeling he always gave me that: one day in the future you will follow in my footsteps because you are the practical one, the hands-on type and you are most like me and that is why you will do it.</i> |
| <i>F7: Already, as a very young child, I always understood that I was the one responsible. And [my mother and my aunts] always liked to delegate to me, even as a little girl. Back then I was a total disappointment in school, a disaster squared, but somehow, yes, somehow they were of the opinion I was to take care of everyone. And I somehow understood those were my marching orders.</i> |
| <i>F7: The responsibility had been drilled into me as a child somehow, and I still carry it with me to this day, despite the fact that I do not know what to do with my sister. I still feel responsible. In the relationship with my mother and my aunts I knew that I had to take care of them. That I would have to manage it all.</i> |

(Continued)

| |
|---|
| <p>Quotes: Perception of succession as certain career choice</p> <p><i>M3: So, I always say, I was born the successor and knew from the cradle [that I was]. There was no lengthy discussion process. Junior was simply not consulted [about the future plans]—with all their advantages and disadvantages.</i></p> <p><i>M7: In my generation there was never any debate about whether or not you would do it. I was the boy in the house and that meant it was clear that I would have to do it one day.</i></p> |
|---|

The family business as a likely future career was found in only one case. In this case communication about the succession was initiated early. The implicit and explicit expectations of the parents also play an important role in this category. However, the message is weaker and the participant expressed the feeling that there was an element of choice and freedom which is not given in the category before. Case M2 describes the option of one day going into the family business being perceived very early also due to the fact that his older siblings had decided against that option. This demonstrated that there was also the option to say no to this path for the younger brother. It was not felt as an obligation or necessity to become the successor but an early indication for or against that option was made necessary by the ownership constellation which demanded the transfer of ownership at an early age.

| |
|---|
| <p>Quotes: Perception of succession as likely future career</p> <p><i>M2: My father started early. I do not exactly know how old I was, I guess around ten and a half or eleven when the issue became subconsciously present in my head. From then on I was kind of potentially aware of the fact that succession would be an option, or could be an issue. But I was also aware that it was not a must, no obligation since my older brother had shortly before decided against it.</i></p> <p><i>M2: There was one point in time when a relatively large part of the shares was to be transferred. That was when my dad and I started talking about things and when the tracks for the future were laid down. "You know your sister does not want to do it, your brother has known for a long time that he does not want to do it. You are still pretty young to decide one way or another. Therefore I will not make you give me a definitive decision but I would like to know if succession would be something you could imagine for your future or if you say that is definitely not an option for you." Then I thought about it and told him that it was an option and that I could imagine it for my future but that I could make no promises.</i></p> |
|---|

A total of six out of the 16 cases fall into the category "succession as possible option for a future career" which was chosen for those cases in which the interview partners felt they were free to choose the family business or another career path. Succession in the family business was discussed in all cases as a possible option among others. The focus seemed to be rather on finding a career that suited the individual rather than forcing a future in the family business.

| Quotes: Perception of succession as possible option |
|---|
| <i>F1: And then my father said, „We can think about that later; go and finish your studies and then we will see what has changed and how things develop.</i> |
| <i>F2: Our parents let us choose freely. They said: We have a company and we have four daughters but you are free to choose. They are of the opinion that daughters are just as capable as boys, you know.</i> |
| <i>F8: And then he said: This is your life. You have to decide what to do. And then I replied: And what if I do not study business or something similar? His reply was: Even if you study business and you start working here, you probably have to start from nothing anyway. In any case other studies can also teach you how to systematically approach a question. That is why you do not chastise yourself during your studies and if at a later point in time you are of the opinion that you want to join, the option is always open.</i> |
| <i>M1: I did not grow up here in the business. My father always said that later I would spend enough time in the business.</i> <i>M1: The decision was taken a little while ago. While I still studying we started talking about it within the family. Back then the company was a little smaller and I was of the opinion that it was too small for both my brother and me to join. My brother is the first born, as I mentioned before, and I wanted to know how I was to arrange my future. Therefore, I wanted him to let me know if he was to join the family business or not. That is why I initiated the discussion and it came with quite a bit of trouble. [Then] my brother announced that for him [the job of] tax consultant was a more interesting career choice, [and one that] he would want to pursue. That was when I knew that the family business was an option for me.</i> |
| <i>M4: My father was not so much determined to show me what the particularities of the business are. Rather he gave it all a lot of space because he wanted me to decide out of personal interest. But I always had the feeling that I also had the option to do something else.</i> |
| <i>M6: I think that there might have been more resistance if I had told everyone that I wanted to become a lumberjack in Canada or something. But that was not the case. I never excluded succession as an option. But I also never really / For the longest time I left the option open.</i> |

One male and one female interview partner reported that a future in the family business was improbable for them due to the fact that an older sibling had already decided to join the family business and had chosen their education accordingly. One particularly interesting case in this category is case M5 in which the potential successor cannot imagine a future in the family business despite his father's explicit wish for him to do so, thereby creating a strong sense of obligation.

| Quotes: Perception of succession as improbable future career |
|---|
| <i>F3: The decision was not taken because my father made it clear that the aim was for me to join the family business. I knew very early that I wanted to study architecture. Therefore it was also self-evident that I would leave and want to leave our home town immediately after finishing school. Somehow I could never imagine that my career plans and the family business could overlap. That is why I never thought about becoming the successor or joining the family business. That all happened much, much later.</i> |

(Continued)

| Quotes: Perception of succession as improbable future career |
|---|
| <p>F6: <i>In the early years my sister was much more determined than I was. She pushed through her studies pretty quickly and for her it was clear that she would join the family business right after finishing her studies. That was also what was agreed on with my father.</i></p> <p>F6: <i>To make a long story short, I never thought about it, I was also never asked but that did not carry a negative connotation. Rather that option was never of much relevance for me.</i></p> |
| <p>M5: <i>And at some point when I was about 17 or 18, he told me: "Yes, you are right. It is my biggest wish that you come and join the company". My reaction was: "No way, forget about it!" I could never imagine doing that.</i></p> |

Two interview partners did not perceive the family business as an option during childhood. One female interview partner grew up in a different household than the incumbent due to the divorce of the parents. She only found out about her birth father when she was already a teenager. A future in the family business could therefore not be perceived as an option when growing up. She was already working in the family businesses by the time the question of succession presented itself. Interview partner M8 did not perceive a future in the family business until asked by his uncle. Since his mother did not hold any shares in the company anymore, a future within had never been considered an option.

| Quotes: Perception of succession as no option during childhood |
|--|
| <p>F4: <i>My boss is my birth father but I did not grow up with him. I grew up in the south of Germany in a household of business consultants. As a child I always said that I would want to work in the areas of fashion, architecture or fashion. The choice for fashion crystalized quickly without me even knowing about my father. When I was 15 I found out about it all. Then I knew, it was out there but it did not have an influence on my life.</i></p> <p>F4: <i>At the end of 2008 I separated from my husband. Since then I have been a single mother. Back then there was no commitment agreed upon to become the successor. That only came about during the last, I would say, four years.</i></p> |
| <p>M8: <i>Succession was not part of my career plans. At some point my uncle asked me out of the blue if I was interested. I had finished my studies in business, was working as business consultant with a good network in many industries. Anyway my uncle, my mother's brother, asked me if I was interested in becoming his successor.</i></p> |

4.2.2 Relevance of educational choice

| Gender | In the FB | Highly relevant | General | Irrelevant |
|--------|-----------|-----------------|---------|------------|
| Female | 0 | 2 | 3 | 3 |
| Male | 1 | 4 | 2 | 1 |

Table 14: Frequency of occurrence for type of education according to gender

The first career decision point in the potential succession sequence where a choice for one career or another must be made is that of *education*. Of interest for the current analysis is whether or not the educational path chosen is in an area of study relevant for the activities of the family business and a later management position. The choice can also be seen to fulfil a signalling function insofar as a highly relevant education is a sign to others that interest in the family business is serious and one is willing to make an effort for it. Choosing an education far removed from the activities of the family business can also be a sign that there is no interest and that another path was chosen.

The educational choices of the interview partners in the current study could be grouped into four categories (see summary Table 14 for frequency according to gender). Each of these categories will now be described in detail.

One of the interview partners was educated in the family business in the form of an apprenticeship. He never completed the intended further education outside the business due to external factors. An apprenticeship can be very valuable, as the potential successor is present within the family business early on, and he or she can learn what there is to know from the bottom up. On the other hand, such a choice also means that later career moves into other companies become as good as impossible. In the case of M7 reported here, the successor never left the company again for outside work experience or further education.

Quotes: In the family business

M7: I had been in the company for a long time. I never knew/ I know nothing but this company. I was already here as an apprentice and I always intended to continue my education. But as it often happens in medium-sized companies, I had to take over the operative business when I came back from my compulsory military service. There was a vacancy in sales and then the thing with my father happened. So I never left again.

In six of the 16 cases interview partners reported having chosen an educational path highly relevant for the activities of the family business. Interestingly, only one of these reported the succession in the family business as a certainty (F7). She always knew that she was one day expected to take over leadership of her family and its family business. She was performing badly in school when a friend of the family took her on to do her apprenticeship. She acknowledges how lucky she was to have been given that opportunity.

| Quotes: Education highly relevant for succession in the family business |
|--|
| <p>F4: While I was still in school, it became clear that I definitely wanted to go into fashion. When I was 17 years old – I was in tenth grade back then – I said that I would not want to go to university. I am not the type. I would like to do something with fashion. I left high school from one day to the next but by that time I was too late to apply for an apprenticeship that year since graduation is in August. In the south of Germany, August is also when the summer holidays start. Therefore, I had one year to kill. I used the time to go to language school and got my diploma as a foreign language correspondent in three foreign languages.</p> |
| <p>F7: I could not find anyone willing to take me on for an apprenticeship, since I was kicked out of ten schools. Then a friend of my mother who owned a publishing house and who had known me from early on took me on. He always said that I was intelligent and that I just needed to get the right schooling and I would be fine.</p> <p>F7: I knew that if I carried on in that manner, I would meet a bad end. I did know that when I was 18. I knew I would have to sit down and see something through to the end, otherwise I would fail. And in the end I think I was very lucky.</p> |
| <p>M1: I always kept my educational path open so that I could also go in a different direction. I did not fixate on coming here but I did of course choose my major so that it would be suitable for the family business, but I could easily also have gone somewhere else. In the end that made my joining the family business also easier. I did learn mechanical engineering, fitting of course when you sell technical products.</p> <p>M1: Since we are a trading business I could also have done a pure business degree. Studying law might have been more difficult perhaps. My father also studied technical engineering. That is why I thought that should fit [...]. It also corresponded to my personal interests and tendencies and I knew it was a good education.</p> |
| <p>M3: I cannot take apart whether I studied economics because I was a successor from the beginning or the other way round. You could argue it either way.</p> <p>M3: University degree in economics, classical business management, strategy, organizations and marketing were my areas of focus.</p> |
| <p>M4: So, the core business of our firm then was [as an] IT provider with an emphasis on consulting and that was interesting for me....and in addition, I had decided on the direction of my studies. And because of my studies, I was already obligated to continue with it for 5 years for tax reasons. And in those 5 years I determined that was exactly the work that I enjoyed.</p> <p>M4: I studied business administration in Germany and IT in the US.</p> |
| <p>M6: So, it was the case that we had a very elaborate set of requirements that [anyone who] was a potential manager had to fulfil. We were all aware of it and knew the rules. That alone makes an impression, well, you have it in mind, that is to say, okay, I have to know two languages. And I must have one, but better two, university degrees. And so on, and so on, and so forth. That alone gives you an initial direction. And then, of course, we talked about it. For my father it was naturally an important topic whether or not I would join the firm.</p> <p>M6: Well, I studied business economics. I studied sociology as an undergraduate and I obtained my PhD in philosophy.</p> |

The other female interviewee who can be grouped in this category (F4) grew up far away from her family business and reported that succession did not enter her mind as an option. Nevertheless, she chose an education highly relevant for the activities of her family business. Interestingly, the other interview partner who

grew up removed from the incumbent and the family business (M4) also chose an educational path of high relevance for the family business. The second male interview partner who chose a highly relevant educational path (M1) stressed that despite the fact that he chose to study the same thing his father studied, he also felt that he was keeping his options open regarding future employment in the family business and that it also corresponded to his areas of interest. In the case of interview partner M6, the education is classed as highly relevant since it adheres closely to the requirements stipulated for potential successors in his family business.

Five cases could be grouped into the general education category which represents those cases in which the potential successor chose an educational path not tailored for the activities of the family business but has some relevance for a future management position within it. Such an education can lead to different careers.

| Quotes: Education general and not tailored to the FB but of some relevance |
|---|
| <i>F2: The decision was made when I decided after graduating from high school that I would study business because the alternative was art and music, [and] it was really clear that if I studied that [art and music] I would not go into the family business. And when I then did [study] business, I said, „Okay, I would like some experience in other companies” and (...) then it was clear that I would go into [the business] one day.</i> |
| <i>F5: And then I was somehow in the business elective/ended up in that branch of it. And then when I finished my high school degree – you know what it is like at 17 or 18 after graduating, you do not really know what comes next. And we talked to each other of course and then at some point you think: „If you are in doubt, just study business”. Then there are lots of branches you can get into later, no matter if you want to go into fashion or whatever. So, in the end that’s what I did.</i> |
| <i>F6: Well, my sister majored in business after having completed an apprenticeship as a certified industrial clerk and I did exactly the same.</i> |
| <i>M2: Already in high school I chose my courses in the direction of business. I wanted to go in that direction in my university studies and it was pretty clear that from the interest standpoint at least it would fit, and that I wouldn’t study modern Japan or something like that. I think that my parents would have liked to influence me to study mechanical engineering or something similar. I suspect so at least, because our company is a technical one. But it was my decision.</i> |
| <i>M8: I studied business at University level.</i> |

One interview partner states clearly that her choice of business studies was seen as a clear signal for the family business, whereas the choice for one of two other options deemed irrelevant would have made a later career in the family business impossible. Interview partner F5 clearly states that she discussed her choice of education with her father who urged her to select a general education because it would entail her still being able to choose her career at a later point in time. It appears that she was unsure what to choose and followed her father’s advice. One of the interview partners (M2) also stresses that this choice for a business major

was also motivated by his areas of interest while his parents might have preferred an area of study more relevant for the family business.

The last category concerning education contains those four cases in which the potential successor chose an irrelevant education for the activities of the family business. Three of these cases were female and one was a male interview partner. The female cases were all cases in which a future career in the family business had been left open as a potential future career. In the male case (M5) the successor was one who knew that he was expected to one day lead the family business which made the choice of an area of study irrelevant for the activities of the family business rather interesting. He does specify that had always been his dream to follow the chosen profession rather than the family business.

| Quotes: Education irrelevant for later succession in the FB |
|---|
| <i>F1: I became a lawyer. I passed both state judicial exams.</i> |
| <i>F3: It was really clear for me very early on, that I would like study architecture.</i> |
| <i>F8: And I decided that I wanted to study to be an opera conductor. So I studied music, German and theatre.</i> |
| <i>M5: So, I'm coming from a very different direction. I studied something entirely different. I studied audio engineering and always produced music. And that was always my dream.</i> |

4.2.3 Relevance of work experience

| Gender | For the FB | Highly relevant | Generally relevant | Irrelevant |
|--------|------------|-----------------|--------------------|------------|
| Female | 2 | 1 | 2 | 3 |
| Male | 3 | 2 | 2 | 1 |

Table 15: Frequency of occurrence for type of work experience according to gender

Following educational choice, work experience is another important decision point for a future in the family business as it prepares a potential successor for the tasks ahead. Success in another company is often a prerequisite for entrance at management level. Information pertaining to the potential successor's work experience could be grouped into four categories according to relevance of the experience with respect to the career as successor. Each of these categories will now be described in detail. A summary according to gender can be found in Table 15.

Work experience for the family business was subdivided into experience outside and inside the family business. In two of the sixteen cases, the companies and the position were strategically chosen as preparation for the later move into the family business. In those cases the decision to become the successor had already been taken, and he or she needed to acquire certain skills before coming

into the family business. In case F1 such an arrangement was necessary as her education was general in nature and did not necessarily prepare her for the industry she would be working in. In case M2 the company was carefully chosen to provide the successor with insight into the industry and the workings of a similar company.

Quotes: External work experience in preparation for a career in the family business

F1: I spent one year in a trainee program in a very big mid-sized construction firm; I worked another six months at BCG, to get some background in business and then I came into the family business.

F1: I did a 1½ year apprenticeship as a sort of preparation for the firm, at BCG [where] I was in the legal department for construction. You see? After my second state exam, I also worked. Not as a lawyer but I started an online business with friends.

F1: It was designed so that I would get to know the construction industry from the practical as well as from the theoretical side but outside of our own business

M2: Beginning my career the idea was to find a business that was [a good] fit. If possible, a business in the [same] industry, but [one] that, if possible, was bigger than we were, that was somehow similar to a family business, [in short] not a big company with a corporate structure, but one that was a good model. And then to work there such that [I] would get a good look at processes and structures. And there weren't a lot [of companies] like that.

Three of the 16 interview partners reported that they gained their work experience directly in the family business. This is rated as high in relevance as external work experience in preparation for the family business since the lessons learned are specific to the family business itself. This does not mean that it is thought to be better than external work experience. On the contrary, no external work experience can present the potential successor with a problem of he or she ever intends to leave the family business. This is not applicable to the cases included in the current study. Interestingly, all three report that they had an initial plan to gain experience abroad or in other businesses, but due to the situation in the family business were not able to do so. It seems therefore that this might not be a strategic approach but rather a development produced by external factors. In case M4, the situation was purposeful on the part of the father and his partner, whereas in the other two cases (F5 and M7) the situation arose due to an emergency. The latter two cases knew they would one day lead the company and chose a highly relevant educational path. The successor in case M4 did not grow up with his father and only considered succession as possible future career at a later stage in his life.

| Quotes: Internal work experience |
|---|
| <i>F5: And after my studies, I wanted to work somewhere else to earn my spurs. [But] then my father got very sick. And we had to decide quickly. Then it was clear, because my sister was still working in East Germany, well, I'll go into the company now. That was the most obvious choice because I had been working there the whole time that I was studying.</i> |
| <i>M4: Yes, of course. Really I wanted to take advantage of the time abroad, and use my student work permit for one year. But our two company managers, my father and his co-manager, said no, he has to come on board now; it's time to get something out of this training.</i> |
| <i>M7: I had been in the company for a long time. I never knew/ I know nothing but this company. I was already here as an apprentice and I always intended to continue my education. But as it often happens in medium-sized companies, I had to take over the operative business when I came back from my compulsory military service. There was a vacancy in sales and then the thing with my father happened. So I never left again.</i> |

In three of the sixteen cases the work experience described was judged to be of high relevance for later succession in the family business. However, compared to the category described above, the company and position were not chosen purely as preparation for the later move into the family business. Interview partner F4 did not consider a future in the family business when she chose her education and later matching work experience, which was nevertheless highly relevant and in the same industry as the family business. In the case of M6, the interview partner needed to climb up the ladder in the family business in order to ever be considered for succession.

| Quotes: Work experience highly relevant for the family business |
|---|
| <i>F4: Then I went to England again just one year after my apprenticeship. I completed a trainee program in London in a first-class, really first class store.</i> |
| <i>F4: [After my apprenticeship] I started in the industry at first. That is where you earn a lot of money; you get to see something of the world, and the world here was too small for me. Following that I worked for a big denim house for 2 years in product management.</i> |
| <i>M1: I worked for an OEM in the USA then went on to do an MBA in Spain and [from there] I [went] into strategic new business development. That suited the needs of our own business well, as we would have to grow in the future. Therefore it was a fitting area of business. And then when I was about to start on a leadership or high potential track, I said that my future lies elsewhere and I went into the [family] company.</i> |
| <i>M6: At first I worked in a company in the US that was active [in the same industry as the family business].</i> |

Two female and two male interview partners reported work experience not tailored to the family business but judged to be of general relevance for the later position.

| Quotes: Work experience of general relevance, not tailored to the FB |
|--|
| <i>F2: and then after my studies I began work as assistant to management in the current accounts department [...] and then I was put in charge for the controlling of the holding [company] with, at that time, 300 million in turnover and 26 subsidiaries, worldwide [...]. So, in effect, I also worked in business development, that is to say, because it was a US firm and they were acquiring many businesses, we had to do a lot of restructuring. And I to work with attorneys and notaries on the businesses to merge, split off and sell divisions that no longer belonged to the core business, the whole thing. And the related reporting for all that, of course. That was a very, very educational and exciting time.</i> |
| <i>F6: I had/ I was with a company for ten years as key account director in the last few years, then marketing and sales manager for another three years and then changed firms to become sales manager Germany. I earned a really good salary; I didn't owe anyone anything.</i> |
| <i>M3: And I shopped around and ran across a large company with an international top trainee program and I had the good fortune to be selected. To my surprise, I was sent to France, [despite not] speaking any French; but it was a great time.</i> |
| <i>M8: Then I was travelling a lot as business consultant and naturally had a lot of contacts in various industries as a business consultant. M8: I led a different life. It was good for me to work as external [employee] in other companies. That was great. I got to see everything, you understand? As a consultant I spoke with many business leaders of different companies because in the end it was always about company management. And as a young man, I found that very, very interesting. It made a lasting impression on me.</i> |

The two female successors (F2 & F6) report very successful careers outside of the family business prior to their engagement within. One of the male cases (M3) reports the participation in a trainee program in a business not part of the same industry as his family business, which is why it was not classified as highly relevant. The other male case (M8) describes his experience as a business consultant gained before entrance to the family business.

Four interview partners, three of whom are female, report having selected work experience irrelevant for the family business. Unsurprisingly, three of them had already selected an educational path also classified as irrelevant. They had chosen a career very different from their family businesses' activities and continued their career path within that profession. One interview partner (F7), however, not only completed a highly relevant education but also declared herself as a chosen successor. She reports that her family was angry with her when she deviated from her path and did not take over the family business but rather founded her own small business with her husband.

| Quotes: Work experience irrelevant for later succession in the FB |
|---|
| <i>F3: I studied architecture [and] worked as an architect in Australia for 1½ years before returning home. I did not like it there anymore. So I thought, I have to stop over in Asia anyway, I might as well take a look at our [production facilities and offices] there.</i> |

(Continued)

| Quotes: Work experience irrelevant for later succession in the FB |
|--|
| <i>F7: [My husband and I] built a business together. My family was somewhat angry that I disappeared to Stuttgart. [That was where] we had a handicraft business. I had nothing to do with my family's business as such for 25 years.</i> |
| <i>F8: At that time, I was really involved in sports; I volunteered for other things; in between, I was a freelance journalist; I did all sorts of things.</i> |
| <i>M5: I went to live in Cologne for a good long while. [There] I worked in a music studio. After that [I] returned home and opened my own music studio with a good friend. And I was busy with that for a pretty while. I worked as a musician at the same time and played in several bands. I invested all the savings I had into the music studio. All the equipment there was mine. And then we had a big falling out. That meant I had only half a music studio left [...]. Then I made my own CD. [By that time] I was finished with the whole studio production [thing] and went into marketing it. Then my father called me - even though the company [meant] nothing to me, was of no interest to me, at all - and asked me if I was interested in accompanying him to a sales meeting.</i> |

It was shown that work experience is an important step in the career decision process and how many different forms it can take. For some interview partners it corresponded merely to the preparation for the later succession in the family business, whereas for others the gained work experience builds the position of power which allows them to make an actual choice for or against succession at a later stage. For yet others, a successful career is the aim as such. The next section will take a closer look at the decision to join the family business.

4.2.4 Decision to join the family business

| Gender | No choice | My choice | Try it | No decision | Clear no |
|--------|-----------|-----------|--------|-------------|----------|
| Female | 1 | 1 | 3 | 1 | 2 |
| Male | 2 | 5 | 1 | 0 | 0 |

Table 16: Frequency of occurrence of decision to join according to gender

The fourth stage in the career decision process corresponds to the decision to join the family business. For some interview partners this choice is the same as the choice for succession, whereas for others the decision to join the family business is not the same as the decision to become the successor. Despite the fact that all interview partners had decided to join their respective family business and were at least partial owners of their respective family business, not all of them had finalized the decision process on whether or not to become the successor in their family business as was intended by the purposeful case selection. Cases could be grouped into five categories, which will now be looked at in detail.

The first category contains three cases in which the potential successor joined

the family business without any real decision on his or her part. In the case of the female interview partner (F5), she felt that when her father fell ill, the decision was destiny. Because of her prior experience in the family business, she was the obvious candidate to be sent to the rescue. The way she describes the experience does not come across as a decision at all much less a decision to begin the succession process. However, it has to be kept in mind that this interview partner always felt she would one day become the successor in her father's business and was therefore ipso facto the designated successor. The case of the male interview partner (M4) presents itself differently. He was called to the family business after completing his studies, which were financed by the company. Through this arrangement, joining the family business became a given. He says that his interest in the family business grew when he was actively working in it. Interview partner M7 always knew that he was one day expected to take over the family business. He naturally joined the family business at a young age and went on to do his apprenticeship there without any real decision seeming to take place.

Quotes: No real choice whether to join or not

F5: And the decision was more or less taken for me since I always, as my father had built the business, always worked here during my studies. And after my studies, I wanted to work somewhere else to earn my spurs. But then my father got very sick. And we had to decide quickly. Then it was clear, because my sister was still working in East Germany, well, I'll go into the company now. That was the most obvious choice because I had been working there the whole time that I was studying.

F5: And in that sense it is a little well/ it was not really my decision. It was like a decision of fate.

M4: The area our business is in IT-services. And because the costs for my university courses were paid for by the company, I was obliged to stay there for at least 5 years for it to be interesting tax wise.

*M4: Yes, of course. Really I wanted to take advantage of the time abroad, and use my student work permit for one year. But our two company managers, my father and his co-manager, said no, he has to **get on board now**; it's time to get something out of this training.*

M4: The decision not to join the family business would have been a rejection of my father's life's work. I don't believe that it could have been done without an emotional cost. It would have led to a break [between us]. My feeling.

*M4: Well, this was the expression that was **chosen to exculpate my father** from any future reproach of having pressured me into anything. This would not allow me to ever say: **It was you who wanted me to do it!**"*

*M7: I had been in the company for a long time. I never knew/ I know nothing but this company. I was here as an apprentice, and I always intended to continue my education. But as it often happens in medium-sized companies, I had to take over the business when I came back from my compulsory military service. There was a **vacancy in sales** and then the thing with my father happened. **So I never left again.***

M7: Perhaps if they are not up to it, but if they are to some degree [capable] then they have to do it.

Five interviews that could be grouped together described clearly how the interview partners perceived the move into the family business to be their own choice. Interestingly, only one of these interview partners was female (F2). Despite the fact that she felt her decision to join the family business had been taken when she chose her university major, she describes how she made the judgement call whether it was the right time to join or not.

Quotes: My choice to join

*F2: The decision was made when I decided after graduating from high school that I would **study business** because the alternative was art and music, [and] it was really clear that if I studied that [art and music] I would not go into the family business. And when I then did [study] business, I said, „Okay, I would like some experience in other companies and (...) then it was clear that I would go into [the business] one day.*

*F2: Yes, the decision was [whether] I would go somewhere else, but it became clear relatively quickly [that if] I went somewhere else, I would be there two or three years again. And he very much wanted a **smooth transition**, for me [to work] with him two or three years so that he could [then] withdraw slowly [...]. Okay, **then it made more sense to go home again and go straight into the business instead of going to Hamburg or somewhere [else].***

*M1: The decision was taken some time ago when I was still studying. We discussed succession within the family when **my brother announced** that for him [the job of] tax consultant was a more interesting career choice, [and one that] he would want to pursue. **And that meant that succession became an option for me.***

*M1: And then when I was about to start on a leadership or high potential track at my current employers, I said that my future lies elsewhere **and I went into the [family] company.** Therefore the decision for me [to go into the business] was taken somewhat earlier.*

*M2: That was also the point when I definitely told my dad: I want it! Not only can I imagine it and [see it as] an option but rather, **I want to do it!** Whether or not it would work and whether or not the advisory board would propose me for the position, I had no idea, **but I wanted to do it.***

M3 (Z13): In my opinion it was a very conscious decision I made.

*M3: My career path in the big conglomerate was mapped out in detail, and therefore, it was clear what the next steps would be. **That coincided with my father, who was gravely ill, getting worse again.** Back then he was still the managing director in the family company but not really active in operations anymore [...]. The board reporting to him started to develop a life of its own so that I started asking myself: Do you want to be an employed manager elsewhere or **do you want to grab the last opportunity to join the family business?** I had the feeling that the board was becoming the dominant player in deciding where the company was going. The board members were all external people and on the other side stood a professional manager leading the operative business. Therefore, **the opportunity to join the business as a family member would not really have been possible anymore at a later point in time.***

(Continued)

| Quotes: My choice to join |
|--|
| <p>M3: <i>Not in an active role. Yes, I am someone who says that you must be responsible for what you do and take responsibility for your actions [...]. So I always had great respect for the task I would one day/ /if I should occupy this position one day, and sit around all day whine because my family wanted me to take this job; I think I would shoot myself. The advice I would give to anyone in a similar position, would be to really think about and question your motivation. Even if it is a post ex facto rationalization of a decision taken, that is was your own decision. But never start an assignment that the family told you to do.</i></p> |
| <p>M3: <i>When I made this decision, it was really important to have other options. To become the successor [and to go into it] having freely made the decision to do so. That is to say, I knew what was out there and therefore could decide. That was very important for me.</i></p> |
| <p>M6: <i>I was away from my parents, a year and a half in Paris and another half year in New York. And in that time I made a decision. So, it isn't as though I always sat at the table with Dad and mulled over what would be best for me, but there were these debates. In the end I had ... or sometime [it] pops out of the hopper: I'm going to do this. And that was the case with me [that] I wanted to be find out if it was good for me, and yes, how happy I would be.</i></p> |
| <p>M8: <i>In 1986, I was asked if I could imagine becoming the successor to the majority shareholder of the business. That was a great question; at that time in 1986, I was 28. At 28, I was asked this question. And yes, I agreed.</i></p> |
| <p>M8: <i>I hadn't envisioned that. I still don't know if I was overjoyed or how [I felt]; I think I knew how big the burden was; they were damn big shoes that I had to fill. You see? The business was obscenely successful. And you start to think it over. Well, I am going to follow in the footsteps of someone like this. That was also a reason why I had thought over whether or not I wanted [to do it]. I didn't know yet about the difficulty of the situation awaiting me. If I had known/if had gone in with the knowledge that I have today, then I would have been a bit more reluctant. But at that time I did not know yet and trusted my uncle implicitly, I had adored him all my life and therefore I said: Yes, okay, we'll do it.</i></p> |

Similarly, M1 describes the point in his external career when he deemed it time to join the family business. It is presented as very much his call to make albeit not really a decision. Interview partner M3 always knew that he was the chosen successor. Despite this, he presents the decision to take over the family business as a clear decision. He also describes a time when he made the call to say no when, in contrast to his parents, he deemed the decision too early. One of the interview partners (M2) describes how he clearly told his father once his decision to become the successor and thus to join the family business was made. Interestingly, his decision to want to become the successor does not automatically mean that he will achieve his aim; as the BOD must support this choice for it to become a reality at a later point in time. One interview partner who was surprised by the offer to become the successor is interview partner M8. The succession offered was not to follow his father, but his uncle. He describes how he judged the offer an interesting career opportunity, and therefore made his decision to accept it. All six interview partners describe a clear choice to be made by them, which is the defining characteristic of the above-described category.

Four of the 16 interview partners reported giving a future in the family business a try rather than taking a clear-cut decision for or against succession. The two female interview partners in this category report that the options of a future succession were not clearly defined in their family business. Interview partner F1 found herself in a difficult personal situation as a single mother when the offer to consider the family business was made. Joining the family business was experienced as a career move rather than a decision for succession. It was unclear at that point in time whether her involvement in the family business would be fruitful and would lead to succession or not. Interview partner F4 joined the family business when she saw her chance to combine work and child-care responsibilities. She considered it a temporary position and did not report joining the family business as the first conscious step towards succession, a topic that was irrelevant for her. Interview partner F8 joined the family business in an emergency situation. After the death of her mother, she joined the family business without a clear picture of what her position and involvement would entail. Through support from the management team she was able to establish herself despite lacking relevant education and work experience. The only male successor in this category (M5) could never see himself in the family business despite his father's wishes for him to do so. His first contact with the family business as an adult was purely on a trial basis and in no way intended by the successor as the first steps on his way to succession.

Quotes: I will give it a try

F1: It was not big decision; it just happened that way.

F1: And then when my marriage fell apart/I was 28 or 29 and you have to reorient yourself and ask what happens now?

F1: Concerning my professional career, the family business was not the only option I considered. I also applied and talked to some other companies. My father just observed at first until finally he asked me if I thought that I was approaching my job search the right way, especially considering that I had two small children and would always be asked to explain every time I came to work an hour later or had to leave an hour earlier. He reminded me that managing job and family as a single mother would be a great challenge. And besides, he was of the opinion that this would be a good place for me. Also, succession was not planned in our company. I have no brothers; there are no male cousins who could have been considered and selling the company was out of the question. My father would never have done that, and the external managers who were working in the company at the time were very good and well-selected, but in certain areas they showed, let us say, not so much weaknesses as potential for improvement [...] well and then, to make a long story short, during this process I came to the conclusion that I would at least give it a try.

(Continued)

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| <p>Quotes: I will give it a try</p> <p>F4: [I] met my then-husband, [and] after 6 months he said: A location in Bavaria won't work. We have to be in the middle of Germany. That was the first time that [thoughts] of my father's firm entered my mind again. When I left in 1989 I vowed, „I'll go anywhere in the world, but I won't ever go back to the Sauerland. I thought it was awful [there]. Good, so that's how it was. I started here and that was fine as far as it went because my idea was that I when the children come I will stop working; so it's super and I'll work here. F4: Succession was.....that was somehow far away.</p> <p>F8: Yes, well, I understand that our workers also asked my mother, „Can your daughter imagine coming into the company at some point?“ And then I said, „Yes, do we want to try it?“</p> <p>F8: It got very intense and then we, mother and I, discussed that I should perhaps give it a try. I said that I wanted my own area, not just to be a „gofer“. I wanted my own area. She said, „Good, then we will talk to the employees how we will go about it. We had planned it for the start of the year, and it was just then that my mother died.</p> <p>F8: And then I was here. So then I asked the employees if I should stay, if they could find use for me. And they said: “Yes, stay!”</p> <p>M5: Then my father called me – even though the company [meant] nothing to me, was of no interest to me, at all – and asked me if I was interested in accompanying him to a sales meeting.</p> |
|---|

One interview partner reported not really having taking a decision to join the family business as such, but rather drifting into her position. Interview partner F3 describes how she was offered interesting projects and how the feeling of responsibility crept up on her. Despite her education and experience as an architect, which had little to do with the operations of the family business, she became interested in the activities.

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| <p>Quotes: No real decision to join</p> <p>F3: So I thought, I have to stop over in Asia anyway, I might as well take a look at our [production facilities and offices] there. And my father though, yes, that's a great idea. Then you can have a look around Korea, Hong Kong, China, Japan and see how we are doing. Great. That's what I did [for] three months; I was totally excited.</p> <p>F3: [So I] came back to Berlin [and] as a freelance architect had two projects in Berlin and [my father] wondered whether I might not be interested in finding a store [for our brand] and rebuilding it. To develop a corporate identity, how could our own store look? Naturally, it was a great project. I could do it all on my own and far away from headquarters. And then, yes, suddenly there was this feeling when the store was ready, this feeling of responsibility [...]. I went by every day to see how it was going [...]. And then I began to involve myself more and more and told my father “I would do this, or I would do that.” Until he simply said, „You're only complaining all the time; don't you want to get more involved?“ And, yes, the more [I] thought about it, the more I could imagine [it]. On the other side, the architecture thing was so much fun for me. Then [suddenly] our designer got sick and someone had to have a look, and then I simply jumped in. Who else? And I had just been in Asia and knew mostly how things worked and had to help out. And well, since then that's how it has been.</p> |
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Two interview partners became the family business successor despite the fact that they had decided against a future in the family business as an earlier point in time. Therefore, they were categorized as having taken the decision against joining the family business. In both cases (F6 & F7) the family business and the business-owning family later found themselves in situations in which the previously selected successor left or was found lacking. In both cases the incumbents approached the interview partners and asked them whether they could foresee coming back to the family to save the family business. This second decision to join the family business was considered a decision to be looked at separately from the decision to become the successor.

Quotes: Decision against joining the family business

*F6 (Z24): Admittedly, in the early years my sister was much more goal-oriented than I was. She pushed through her studies pretty quickly and for her it was clear that she would join the family business right after finishing her studies. That was also what was agreed on with my father. **And to be honest, I wasn't interested**; although we had had summer jobs there in the warehouse and in administration since we were 14 to earn a little pocket money, it was of no interest to me. [That was] because I was a brand marketer; my major at university was marketing, management and accounting; I always wanted to go into brand manufacturing.*

*F6: To make a long story short, **I never thought about it**, I was also never asked but that did not carry a negative connotation. **Rather that option was never of much relevance for me.***

*F7: And then in my generation, **I didn't want to go into the business** because I had married in southern Germany, and anyway the **long desired man** in the family was to take over the business. That was my sister's son.*

As can be gathered from the previous analysis, the actual decision to join the family business takes many different forms. The next step in the analysis looks at the establishment phase of the career development process by analysing how the successor was received in the family business and whether or not succession can be considered finished.

4.2.5 Decision to become the successor

| Gender | No choice | My choice | Try it | No decision yet | Clear no |
|--------|-----------|-----------|--------|-----------------|----------|
| Female | 2 | 3 | 2 | 1 | 0 |
| Male | 1 | 5 | 0 | 2 | 0 |

Table 17: Frequency of occurrence of decision to succeed according to gender

The fifth stage in the career decision process corresponds to the actual decision to become the successor in the family business. In some cases this corresponds to the decision to join the family business and therefore precedes establishment; in others, the two decisions to join and to succeed are separate. Despite the fact

that all interview partners had decided to join their respective family business and were at least partial owners of their respective family business, the subsequent analysis shows that not all of them had finished the decision process of whether or not to become the successor in their family business. Cases could be grouped into five categories, which will not be looked at in detail.

Three interviews were allocated to the “no real choice” category. In both female cases the successor found herself in an emergency situation resulting from the bad health of the incumbent. In case M4, succession has not been completed yet, but the successor is waiting for his turn to take over the company.

| Quotes: No real choice |
|--|
| <p>F2: <i>And I was searching around, and then worked in the sales management of a publishing house in between. And I thought, sometime a company will come along, even if it isn't mine, but I thought: Yes, well, something will work out. You see? So I had really not given up this goal or my dream to be self-employed. And so one day I got a call from my youngest sister that my father was doing very badly, and was in the hospital with heart problems. And then it was like a bolt out of the blue because my parents and I didn't have a lot of contact and had taken it badly that I left.</i></p> <p>F2: <i>So well, in brief, in any case it was clear that he couldn't do it and my mother could not do it alone [...] and then the question was, what do we do now? And then I said, „Okay, the only risk is that I have to resign from a steady job. But I can try it again and try to take charge, turn things around and save what there is left to save.</i></p> <p>F2: <i>And if can't manage it, okay, at least I tried and I can look at myself in the mirror one day and say that I at least tried. Or I leave it be and take the safe way out. If everything goes badly then, classic case, my parents invested everything in the business and so on, no money saved for their retirement.</i></p> |
| <p>F5: <i>And the decision was more or less taken for me since I always, as my father had built the business, always worked here during my studies. And after my studies, I wanted to work somewhere else to earn my spurs. But then my father got very sick. And we had to decide quickly. Then it was clear, because my sister was still working in East Germany, well, I'll go into the company now. That was the most obvious choice because I had been working there the whole time that I was studying.</i></p> <p>F5: <i>And in that sense it is a little well/ it was not really my own decision. It is like a decision of fate.</i></p> |
| <p>M4: <i>In 2003, if I remember correctly, I changed titles and [area of] responsibility in the top management team, but we don't have a management team that meets regularly and thinks about the future, so to speak.</i></p> <p>M4: <i>Yes, so, the advice I got from other members of the management team was that I can afford to be patient; I would simply have to wait [succession] out.</i></p> |

Eight of the 16 interviews included in this analysis report having experienced the decision to become the family business successor as their own choice. Three of the eight were female and five were male interview partners. Two of three female interview partners (F6 & F7) joined the family business at a later stage in life despite the fact that they had initially decided against it. An emergency in the business made them reconsider their initial choice and come back to the family business. Both stress the fact that they considered their options and accepted a

return because they wanted the challenge this new task offered. Interview partner F1 also apparently rose to the challenge when she joined the family business on a trial basis, but quickly found that she wanted to stay and become the successor. The quotes provided for case F1 clarify that she made this clear to the external manager as well as to her father. The fact that she stated that her decision to join the family business was on a trial basis, it seems to indicate that she intended to become the successor once she joined.

Quotes: My choice (NOT THE SAME AS DECISION TO JOIN THE FB)

*F1: I also thought it would be a **fantastic challenge**. And the job to be done simply interested me.*

*F1: So I said to our other manager, you know, I think we need to talk [...]. And then I said: you know what? You have certain strengths, a couple of weaknesses [and] so do I; I think that we could work really well together. We can continue fighting or we can stop. I would enjoy cooperating with you and it would make me happy if we did because I am really convinced that would work out well. So think it over on the weekend. And I will give you one little bit of information to help you to decide by telling you that **I will not be the one to leave**.*

*F1: Beyond that, my father knew that I was **really interested** in continuing to lead the firm and I was also interested in a complete takeover of the business.*

*F6: Yes, and then it happened that my sister **left helter skelter** over insurmountable differences in the summer of 2003. My father was 73 then and had not been active in management for several years, but still held 100 percent of the shares and. My sister was paid off, of course, and her financial situation was secured and then she was out. Then he went back into the management in August of 2003, and continued until the fall of 2004. He had to decide whether to sell the business, so he held talks with the bigger competitors [or whether to save] his life's work. And then he remembered me, but he was unsure about asking me because I was somehow nebulous, as a manager, you understand? Can I really ask my daughter; she is so successful and we are a small mid-sized company – it was considerably smaller than than now. But he asked me: „Say, can you imagine it? We can't pay a lot, but you would own it all one day and so on and so forth. **So, well, I thought it over**. You can bring everything you have learned here; [all that] then moved me, so to say, **I'll do it!** But it was not a spur of the moment decision, but a [careful] weighing [of things].*

*F7: And then in my generation, I **didn't want to go into the business** because I had married in southern Germany, and anyway the **long desired man** in the family was to take over the business. That was my sister's son.*

*F7: and that wasn't guaranteed with my nephew, and the clients said no, not him. And then my aunt **pulled me out of the hat**, saying, well, I have a niece; she doesn't live here, but maybe she will be willing do it.*

*F7: They did not stand a chance; they would have had to sell. And since they regarded it as their life's work, they said it would be a real shame to sell and that is why they asked me. **I am always curious about new things and that is why I said: "Yes, why not!"***

(Continued)

Quotes: My choice (NOT THE SAME AS DECISION TO JOIN THE FB)

M7: I explained to my family that I would gladly do it. I also explained that if I did it without my sister, it would be a huge challenge and we are both strong personalities and don't see eye to eye on some things...but then my family [expressed their] trust [in me] and I took it over.

M7: Then a lot of companies were knocking at the door, [saying] they wanted to participate, that they wanted to buy [us out] and so one...and in that phase I thought it over and shortly after my father's death, in a family meeting, if you can call it that, I said that I would like to take it on.

For a number of male interview partners their choice to become the successor of the family business was the same as the decision to join the family business. For interview partner M1, the decision to join the family business and the decision to become the successor are one and the same. The decision was taken long before he actually started working there. Interview partner M2 describes how he decided to become the successor in his family business. This entails his joining the family business, proving himself, and convincing the BOD that he is capable before he can become the actual successor. Taking the decision to want to become the successor is not the only prerequisite or requirement to succession in this case. In the case of interview partner M3, the decision to join was synonymous with the decision to become the successor. He stresses that it was entirely his decision when he would join. The interview partner stated that he never had a choice whether or not about joining the family business, but he does make the point that it was his decision to take on succession after the death of his father. In the case of interview partner M8, he never expected to become his uncle's successor, and when asked to do so, he made a conscious decision not only to join, but to do so as his uncle's designated successor.

Quotes: My choice cont. (SAME AS DECISION TO JOIN THE FB)

M1: The decision was taken some time ago when I was still studying. We discussed succession within the family when my brother announced that for him [the job of] tax consultant was a more interesting career choice, [and one that] he would want to pursue. And that meant that succession became an option for me.

M1: And then when I was about to start on a leadership or high potential track, I said that my future lies elsewhere and I went into the [family] company. Therefore, my decision to [go into the business] was made rather early.

M1: So, I don't want to say that I went into a room and thought, "that's the way". But I did push the decision and what I wanted to do.

(Continued)

| Quotes: My choice cont. (SAME AS DECISION TO JOIN THE FB) |
|--|
| <p>M2: <i>and at some point it became very concrete. I cannot even pin point when that happened. That was also the point when I definitely told my dad: I want it! Not only can I imagine it and [see it as] an option but rather, I want to do it! Whether or not it would work and whether or not the advisory board would propose me for the position, I had no idea, but I wanted to do it.</i></p> <p>M2: <i>[You can] only be managing director if you are proposed by the advisory board. The advisory board doesn't appoint, it recommends. But the shareholder assembly can appoint someone, but only [after] the advisory board has recommended him or her. [They] can also say, "no, we are not going to appoint him regardless". That can also happen.</i></p> |
| <p>M3: <i>In my view it was a very deliberate decision on my part. I had just finished my trainee program, the career path in the large company I was currently working in was formulated, and it was clear which position I would get in the future [...]. That was when I started asking myself: "Do you want to be an employed manager elsewhere or do you want to grab the last opportunity to join the family business?"</i></p> <p>M3: <i>When I made this decision, it was really important to have other options. To become the successor [and to go into it] having freely made the decision to do so. That is to say, I knew what was out there and therefore could decide. That was very important for me.</i></p> |
| <p>M8: <i>At some point my uncle asked me out of the blue if I was interested. I had finished my studies in business, was working as business consultant with a good network in many industries. Anyway my uncle, my mother's brother, asked me if I was interested in becoming his successor.</i></p> <p>M8: <i>In 1986, I was asked if I could imagine becoming the successor to the majority shareholder of the business. That was a great question; at that time in 1986, I was 28. At 28, I was asked this question. And yes, I agreed.</i></p> |

A total of four interview partners describe their decision to become the successor not as a clear decision, but rather as a decision to come into the family business for a trial period before taking their final decision. Interview partner F2 re-joined the family business when the family and the business found themselves in a difficult situation. Changing her mind about her erstwhile decision is explained by the fact that she wanted to try to turn things around. Interview partner F8 also describes how she tried joining the family business, which in her case corresponded to succession. There are two male interview partners in this category. The first of these, case M4, does not describe his decision to succeed but rather describes his experience that once he had joined the family business he discovered that he had found what he liked doing.

Quotes: I will give it a try

F4: Before this topic of succession came along, we grappled with this intensively; it was so that ... I, well, I was an employee and worked here part time and my primary focus is my family and I work here to earn money. Then the succession thing started, I really threw myself into it, and got very much involved.

F4: I still have no procuration rights for the business, for example. I am an assistant to management and I am my father's set successor, with notary confirmation.

F4: You could say that the succession has been set down on paper. There is a will confirming it. But paper is forgiving. The banks have been informed that my dad has arranged his succession so that aim has been achieved. But in reality a succession plan is still light years away.

F8: And then I was here. So then I asked the employees if I should stay, if they could find use for me. And they said: "Yes, stay!"

F8: And that way, in a couple of instances, for example in the negotiations for an acquisition, I followed the whole contract thing through. Then things got moving and that was very exciting for me. And that was a rational and correct next step in my view; we had decided to consider along with the long-time employees, what a reasonable starting point could be. Or what a reasonable field would be for someone who doesn't have a clue. Fate saw to it that the question never came up. As a result of the problems in our affiliate company, there was no question of how or whether I would have time to get used to the job or have a probationary period.

Three of the 16 interview partners report not having taken a decision concerning succession yet, two are female and one is male. Interview partner F3 states clearly that she hesitated to take the decision, but her father is urging her and her sister also involved in family business management to do so in the near future. Interview partner M5 is also still undecided concerning his role as successor, and he describes how he will seek outside experience to gain clarity about the decision to be taken within the next six months. Interview partner M6 also describes starting to work in the family business without knowing whether or not he would ever be in a position to become the successor. The decision to join the family business is the only decision he can take, and therefore no decision for or against succession has been made yet.

Quotes: No decision to succeed made yet

F3: It was certainly a decision because with it, I decided against my real profession, so to say, [...] my father had repeatedly asked [my sister and me] at critical points: "Can you really imagine doing that? Do you know what you're in for and how will we structure things for the future?"

F3: To give up one of the brands or selling up now was something that we really couldn't imagine. At the same time, to keep everything here going in a city that isn't our chosen place to live is also difficult to imagine.

F3: So that is where we are at right now and this year we have given to ourselves to make a concrete decision. My father has reached an age which means that we have to prepare somehow, otherwise he won't be able to sleep anymore. It doesn't matter it that means that someone from the outside [takes over] or not.

(Continued)

| Quotes: No decision to succeed made yet |
|---|
| <p>M5: I have not made the final decision whether or not I will go into the business yet. M5: And my father's plan was always to sign the business over to me [...]. So, as far as a selection process is concerned... why a selection process? Because I was, because it would be me anyway [...]. Before I had anything to do with the company, there was an appointment with the notary [...]. And I assigned as the heir, the sole heir.</p> <p>M5: So that's why this year has helped me with my decision. For me, it's about deciding whether I can function in this world, do I want to work in an active role in the business and play a part? Well, being a shareholder is no problem. Because, what is important to me ... when you go into such a company you also build your own network. You get to know people and you witness their lives and fates of those people; know what's happening and so on. Then you don't want to let go. You want it to go on. That's also important to me.</p> |
| <p>M6: And we have the idea that suitability and experience are central criteria for a leadership position in the company. That means that you cannot simply decide to become the successor. What you can decide is to go into the business and make your own way. [...] And there are no guarantees, no one can give me [guarantees] and I can't [guarantee] either that I will be on the governing board one day. Rather, the only thing I can do is... I find our company interesting; I want to work here; I want to make an impression. Here I have found a good ... for me a good and interesting job, and that is what I am doing. So I haven't decided to pursue a path as successor, rather I decided to work here. And that is it.</p> |

None of the interview partners has definitely decided against succession in the family business. This finding is not surprising as being the family business as successor was one of the selection criteria for the interview partners to be included in the current study.

Succession as a decision process was looked at in detail in the previous section. The resulting matrix of decision points and categories defined can be used to analyse and describe other succession cases. The implications for theory and practice of these results will be discussed and evaluated in the discussion section of this work. In the following section, the influences on the decision process outlined above will be examined and described before a detailed successor profile analysis for each of the interview cases included in the current analysis will be provided and discussed.

4.3 Influences on the succession decision process

Each succession is different as the circumstances surrounding the succession decision of each successor differ. In an attempt to structure the experiences of the 16 interview partners included in the current analysis, the factors mentioned by the interview partners as relevant for the succession process will be allocated to each system as proposed by Pieper and Klein (2007) in the bulleye model:

environment, family business (family, ownership, business and management) as well as the *individual systems*. Influencing factors are classified as facilitator if they “push” the successor towards a future in the family business. A negatively perceived factor such as a business crisis or illness of the incumbent can nonetheless be considered a facilitator if it pushes the potential successor closer to the family business. A factor is considered a barrier on the other hand if it keeps the successor from his or her path or presents an obstacle in the succession decision process. From this analysis it can be inferred which factors from each system are reported by successors as relevant. Due to the large number of factors identified for each interview, only illustrative quotes will be provided. When referring to the factors in later stages of the analysis, they will be referred to as facilitator or barrier from the relevant system without information on the particulars of the case. This also serves to insure the anonymity of the interview partners as well as to move the analysis away from the individual cases towards a more general discussion of the factors influencing the process to take the decision to become the successor.

The influence of the different factors was also found to differ in strength. Factors considered major influences are those which push the succession curve up or pull them down. Major influences are indicated in the successor profiles section 4.4 at the end of the results chapter. They are also marked with an asterix (*). All other factors are considered minor influences. The overall discussion of the role of influencing factors on the succession decision process will be provided in the discussion section.

When analysing the succession decisions of the interview partners, the influences listed in Table 18 and Table 19 were identified as facilitating or inhibiting factors for each of the cases.

The graphical integration of both barriers and facilitators found into the CDSTF as adapted to the context of family business succession is provided in Figure 15. Factors were placed purposefully depending on the connection between them and in relation to their immediate effect on the successor.

The subsequent analysis will differentiate between main factors, which were judged to be crucial for the succession decision and more minor factors, which had an influence on the succession decision but did not in themselves push the successor in one direction or the other. Each of the systems will now be looked at in detail.

| System | Facilitators |
|--|---|
| <i>Environmental System</i> | |
| <i>F1, M1, M3, M7</i> | - Gender norms |
| <i>F5, F6, M2</i> | - Tax laws |
| <i>F4</i> | - Bank requirements for succession planning |
| <i>F8, M2, M3</i> | - Financial crisis in the industry |
| <i>F1, F2, F4, F5, F8, M1, M3</i> | - Exchange with advisors, mentors, friends |
| <i>Family System</i> | |
| <i>F2*, F5*, F6*, F8*</i> <i>M3*, M7*, M8</i> | - Family emergency (illness/death of the incumbent) |
| <i>F3*, F5*, F8, M2*, M8*</i> | - Positive personal relationship with the incumbent |
| <i>F1*, F5, F6, M1*, M2</i> | - Sibling decision against the family business |
| <i>F1, F4, F5, F6, F7, M1, M7, M8</i> | - Support from spouse of partner |
| <i>F3*, M2, M8</i> | - Age constellation between successor and incumbent |
| <i>Ownership System</i> | |
| <i>F6, F7, M1, M2*, M3, M8</i> | - Ownership share |
| <i>F3, F5, F6</i> <i>M1, M2, M3, M4, M8</i> | - Gifting of shares |
| <i>Business System</i> | |
| <i>F2, F3, F6, F7</i> | - Business emergency |
| <i>F1, F2, F4*, F5, F6, F7, M1, M3, M4</i> | - Advantages of working in the FB as opposed to outside |
| <i>F2, F3, F4*, F8, M3, M4*, M6*</i> | - Interest in the product or service of the family business |
| <i>F1, F2, F6, F7, M4, M8</i> | - Missing succession alternatives |
| <i>F2, F3, F4, F6, F8, M5, M6, M7</i> | - Relationship with employees |
| <i>Management System</i> | |
| <i>F3, F5, F8</i> | - Working with family members |
| <i>F5, M1, M2, M8</i> | - Good working relationship with the incumbent |
| <i>F3, M1, M2, M3, M8</i> | - Incumbent's willingness to let go |
| <i>F8, M2, M3</i> | - Influence of the BOD or equivalent |
| <i>F8*, M1, M2, M7, M8</i> | - Support from TMT |
| <i>F3, F6, F7, M3, M4, M8</i> | - Selecting own TMT |
| <i>Individual System</i> | |
| <i>F2, F6, F7, M3, M4, M8</i> | - Personal resilience |
| <i>F1*, F2*, F4, M3*</i> | - Wish to become an entrepreneur |

Table 18: Summary of facilitating influences on the succession decision process

| System | Barriers |
|--|--|
| <i>Environmental System</i> | |
| F2, M8 | - Tax laws |
| F1, F2, F5 | - Gender norms |
| F7 | - Customer influence |
| F2 | - Bank influence |
| F3*, F4, M3, M6, M8 | - Location of the FB and visibility in the community |
| <i>Family System</i> | |
| F2, F6*, F7*, M1 | - Decision of sibling/cousin for the family business |
| F3* | - Decision of sibling against the family business |
| F1, F2, F4, F6 M3, M4, M5*, M7 | - Conflictual relationship between successor and incumbent |
| F2, F6, F7, M1, M8 | - Family conflict |
| F1, F7, M1, M3, M7, M8 | - Succession and family history |
| F2, F3 | - Wanting children |
| F1*, F4, F5, F7*, M8 | - Own family |
| <i>Ownership System</i> | |
| F1, F2, F5, M7 | - Ownership share |
| F2*, F6, M8 | - Transfer conditions |
| F7, M8 | - Conflict between owners |
| F4, M5, M7 | - Gifting of shares |
| <i>Business System</i> | |
| F3, F5, F7, F8 M3, M5, M6*, M7 | - Successor qualifications |
| F3, F4, F6, F7, M3, M4 | - Missing structures |
| F2, F5, F6, M2, M3, M4, M8 | - Bad financial situation of the FB |
| <i>Management System</i> | |
| F1*, F4*, F6, M4*, M5*, M7 | - Problematic working relationship with the incumbent |
| F1, F2, F4, F5, F6, M4, M5 | - Incumbent's inability to let go |
| F1, F6, F7, M3, M4 | - Conflict with TMT/BOD |
| F1, F3, F4, F5, F6 M3, M4, M5, M6, M7 | - Limited power of the successor |
| <i>Individual System</i> | |
| F3*, F5, F6*, F8*, M5* | - Drawn to other interests |
| F3, F5, M3, M5 | - Doubting own abilities |
| F5, M3*, M5 | - Need to prove worth |
| F4, M3, M4, M5 | - Reaching personal limits |

Table 19: Summary of inhibiting influences on the succession decision process

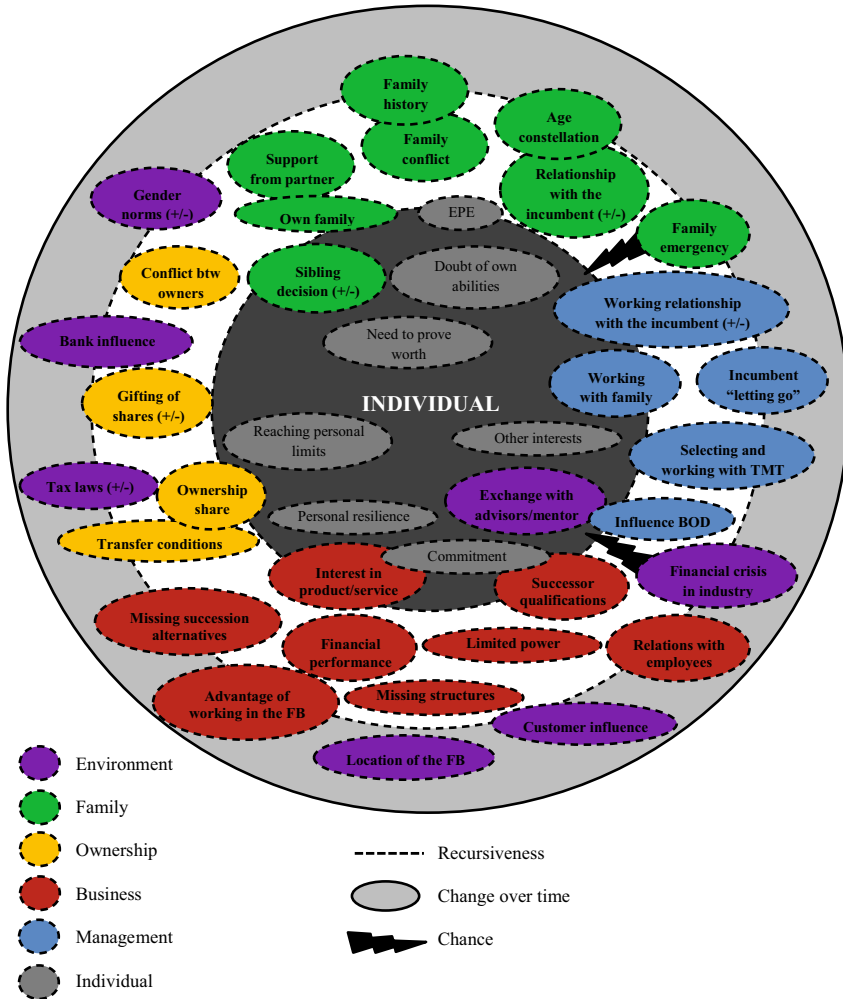


Figure 15: CDSTF adapted to findings from the current study. Source: based on Patton & McMahon (2006a, p. 208)

4.3.1 Influences from the environmental system

Environmental influences which were mentioned by the interview partners as having an influence on the succession process, were relatively few. As the environmental system can be considered the backdrop against which succession takes place, this is understandable. The environmental system is often considered a given fact. Only one environmental factor was reported to have a major influence on the succession process. All other influences were considered to be of minor importance. Among the factors mentioned are tax laws, exchange with others, as well as gender norms within a given industry.

Tax laws were seen to inhibit the succession process when ownership transfer was slowed down in order to avoid the accrual of heavy inheritance taxes.

| Barriers from the environmental system | | F | M |
|--|---|----|----|
| Tax laws | <i>F: If we had made a share or asset deal, then taxes would have been due that would have affected the liquidity, and then things would have gone wrong.</i> | F2 | M8 |

Gender norms prevalent in a given industry were reported by female interview partners to be relevant in the succession process. It is perceived as a barrier if this gender dominance in the industry is seen as a disadvantage for a female successor who has to work in it. It can also be seen as a facilitator if the presence of a woman in a male-dominated industry can be turned into an advantage. This can be achieved for example, if the environment underestimates the female successor or if the presence of a woman is seen as exceptional, and therefore memorable.

| Barriers from the environmental system | | F | M |
|--|--|----------------|---|
| Gender Norms | <i>F: Yes, well, you are not taken seriously; they are very casual in that industry. They say, „Oh, well. What does that young thing expect to do here, and when, let’s say, you don’t behave like a bull in a china shop, and dress nicely, then you hear, „Oh, you can do an internship here, but first you have to learn how things are done here, since you don’t have clue.</i> | F1 F2 F5 | |

Only one case reported that a customer with high bargaining power within the industry⁶ was able to influence the succession process insofar as they were opposed to the initial choice of successor. Customer influence has hitherto not been reported as influencing factor of the succession process. It can be assumed that is a rather rare example, but the forces within the industry and their influence on the succession process should be considered.

⁶ See Porter’s five forces (2008)

| Barriers from the environmental system | | F | M |
|--|---|----|---|
| Customer influence | <i>F: [In our industry] we are very dependent on the good will of clients and they have a certain say or they reserve veto rights. They say yes, we give that manufacturer in a particular area all our [products], and he is the exclusive distributor. And we want him to be good at it, this [service provider]; and that was not the case with my nephew; and the clients said, no, not with him [...]. And my nephew had already been in the business for a couple of years, but as I said, the [clients] insisted that he must go or the business must be sold.</i> | F7 | |

In another case the influence of the bank on the succession process was considerable as the bank needed to approve the financing of the share acquisition by the successor. Therefore, the bank could have had an inhibiting influence on the succession process if financing had have been denied.

| Barriers from the environmental system | | F | M |
|--|---|----|---|
| Bank influence | <i>F: And in that respect it was really very difficult to persuade the banks that you are personally qualified; I think they learned relatively quickly from my CV that I was [...]. But that required some persuasion [...]. I think that, in the end, the numbers spoke for themselves, but what it also showed me [was that] it must be clear how things will be in the future; and that was also very, very important to the banks.</i> | F2 | |

In a number of cases the location of the family business in an area considered unattractive in terms of quality of life had an inhibiting effect on the succession decision of the successor. In one female case this was considered a major influence. Furthermore, the visibility in the community was reported as a factor that made the idea of living in the same city as the family business unattractive to the successor.

| Barriers from the environmental system | | F | M |
|--|--|-----------|----------------|
| Location | <i>F: Well, we both don't know where and how it will go and if we can imagine always being in [hometown] [and] having a family here or [living here] with a partner. That might be difficult too; as they might not necessarily be able to imagine living here.</i> | F3* F4 | M3 |
| Visibility | <i>M: One is always seen as the child of a business owner. People say things like: „At night your father must be in the cellar shovelling money“. So one was the target of bullying and so on. Well, that wasn't a good thing. I was always treated differently from others. Being a business owner was somehow different back then.</i> | F3 F4 | M3 M6 M8 |

After having reported the barriers emanating from the environmental system, those factors facilitating the succession decision of the successor will now be considered.

In addition to the fact that the gender norms were considered as a barrier,

surprisingly, they were also described as a facilitator in that being one of the few women in the industry was reported as advantageous. Three male successors reported that their sisters were not considered for succession due to traditional gender norms concerning succession. As such, these gender norms can be argued to have had a facilitating effect on the succession decision of these three male successors.

| Facilitators for the environmental system | | F | M |
|---|--|-----------|------------------------|
| Gender Norms | <i>F: So, my experience was that you might even have an advantage working in a male-dominated area because you are continuously underestimated. That can be an extremely comfortable situation; nothing is better than being underestimated.</i> | F1 | M1 |
| | <i>M: And there too, similar to me, you are never really asked. It was always clear that my sister would not be the successor.</i> | | M3 M7 |

The German tax system was seen as a facilitator of the ownership succession process as it allows the gifting of shares up to a certain value every ten years (ErbStG, §16). In order to make use of this tax shield, ownership transfer is planned early and the succession process therefore facilitated as the generations need to concern themselves with the transgenerational transfer of ownership. The issue of ownership succession, which is most strongly influenced by the issue of tax laws, can be unconnected to a management succession, and in many cases where ownership is transferred early, it is. This factor is also closely linked to the ownership system, described later.

| Facilitators for the environmental system | | F | M |
|---|--|-----------|-----------|
| Tax laws | <i>F: So, there too, it was all about tax issues; whenever there was a possibility to transfer shares to us tax free, they immediately did so for all of us girls.</i> | F5 | M2 |
| | <i>F: Back then it was still cheap to gift it to me, so that I had to pay little inheritance tax. So that was really a good point in time to do it.</i> | F6 | |
| | <i>M: It happened at the same time as another asset transfer. My father started very early gifting shares to us.</i> | | |

Succession planning was specified by the Basel II directive (Bundesbank, n.d.) as an important factor in risk assessment of a business since it can reduce the dependence of a business on a single individual and is considered an integral part of a long-term business strategy. Therefore, the need for bank financing can have a facilitating effect on the succession process.

| Facilitators for the environmental system | | F | M |
|--|---|----|---|
| Bank requirements for succession planning | <i>F: I can't really say at which point in time it became an issue for him. From my perspective, it became an issue and openly talked about only when he [began] to get pressure from the banks. That was not so long ago. When Basel II, III came along [...] and when the banks [began to pressure him that] he had no successor.</i> | F4 | |

A financial crisis in the industry would be expected to have an inhibiting effect on the career development of the successor. However, it was reported that the challenging situation allowed learning a lot about the family business and crisis management in a short amount of time.

| Facilitators from the environmental system | | F | M |
|--|---|----|----------|
| Financial crisis in the industry | <i>M: I went into [the company] at the end of March [2008]; in September it started to get exciting. So it wasn't exactly [then], but very close together. So, it sounded bad; it was really an incredibly useful experience, although the situation was awful. We had to let people go at that time [...]. We had a 45 % drop in revenue compared to the previous year and no one knew how long it would go on. Difficult conversations with our clients. It was a great learning experience in crisis management.</i> | F8 | M2 M3 |

Another input from the environmental system, which was reported as supporting the succession process, was the input from mentors, advisors and friends outside the family business. The exchange with others in similar situations was mentioned as well as the support from professionals giving support in difficult situations. This was considered a valuable albeit minor influence on the succession process.

| Facilitators for the environmental system | | F | M |
|---|--|----------------------------|----------|
| Exchange with advisors, mentors, friends | <i>F: And in that respect I was very lucky that there was someone there who specialized in company restructuring and who helped me a great deal. He was like a coach, he was someone I could also call in the middle of the night and say: "I have a problem."</i> | F1 F2 F4 F5 F8 | M1 M3 |

Most of the influences cited above are considered minor influences, the only exception being the inhibiting effect of the location of the family business, which was considered a major influence in one female succession case.

4.3.2 Influences from the family business system

The family business system is subdivided into four subsystems. Details on the four systems can be found in the literature review section. The division of the four systems is theoretical only. Therefore, the allocation of factors to the subsystems is also artificially introduced.

The family system

A large number of factors, facilitators (9) as well as barriers (7), stemming from the *family system* were reported by the participant of the current study. Facilitators will be discussed before the barriers reported by the interview partners are outlined.

One factor reported in nearly half (7) of the cases included in the current study is that of some element of family emergency. This generally has an important facilitating effect on the succession process and the succession decision since such an emergency demands quick action. The role of emergencies in succession has hitherto only been stressed for female succession cases (Curi-mbaba, 2002). It appears to also play a role for male successors.

| Facilitators from the family system | | F | M |
|-------------------------------------|--|-----|-----|
| Family emergency | <i>F: And then one day my youngest sister called [to say] that my father was very sick and in the hospital with heart problems. That came out of the blue for me [...]. He just no longer had the strength to cope with it all. He was weakened health-wise and the question was, what do we do now?</i> | F2* | M3* |
| | <i>M: We were at the point of having discussed it, what we could do, and we had an appointment with a lawyer for a consultation. Then my father had a bad accident and never woke up again from a coma. He died 14 days later; my father was in his mid 50'ies; my mother was in her early 50's, my sister late 20's and I was [in my] mid 20's.</i> | F5* | M7* |
| | | F6* | M8 |
| | | F8* | |

One factor reported as crucial in the succession literature is that of a positive relationship with the incumbent (Handler, 1990, 1992; Lansberg, 1988; Le Breton-Miller et al., 2004; Ward, 1987). The current study corroborated these findings. A total of five interview partners (three female and two male) in the current study also reported a major facilitating effect of the positive personal relationship with the incumbent on the succession and succession decision process.

| Facilitators from the family system | | F | M |
|--|---|-----|-----|
| Positive personal relationship with the incumbent | <i>F: I would have liked very much to have worked together with my father because I was a real daddy's girl. Despite the fact that I loved my mother very much, like many girls, I was a real daddy's girl. As a child, when I was being a nuisance at home, he [my father] would bring me here [the business] and let me run around. I found it all very exciting.</i> | F3* | M2* |
| | <i>F: I was always my father's child, very much so. And to me my father always stood on a pedestal. I always looked up to him and thought: „Wow, all the things he has achieved.“</i> | F5* | M8* |
| | | F8 | |

In a number of cases, the decision for the family business was dependent on the decision of a sibling against the family business. This can be related to the study by Barnes (1988) who postulated that younger siblings are influenced by their older siblings' decisions. In all five cases having reported this factor, the interview partner was a younger child making this explanation plausible.

| Facilitators from the family system | | F | M |
|---|---|----|-----|
| Sibling decision against the family business | <i>F: Yes, and then it happened that my sister left helter skelter over insurmountable differences in the summer of 2003.</i> | F1 | M1* |
| | | F5 | M2 |
| | | F6 | |
| | <i>M: That was the first time that I really grasped that my brother would not be the successor. He was 13, a year and a half older than me. Yes, he was 13 when told my father that he could imagine doing all kinds of things, but not what my father did.</i> | | |

One facilitating factor stemming from the family system is that of spousal support. Half of the interview partners reported that it was important for them to have the support of their spouse during the succession process. Interestingly, five women and three men reported the same effect. The role of the new nuclear family of the successor, i. e. his or her spouse and children, has hitherto not been of much interest in the family business literature.

| Facilitators from the family system | | F | M |
|-------------------------------------|---|-----|----|
| Support by spouse or partner | <i>F: Now I am married; in the meantime my husband started working here too. That is a great help, I must say.</i> | F1* | M1 |
| | | F4 | M7 |
| | | F5 | M8 |
| | <i>M: My wife has fortunately stopped working completely and is taking care of the children, so I can simply leave in the morning. She has one evening off during the week and I have the rest.</i> | F6 | F7 |

The age difference between the incumbent and the successor can have a facilitating or accelerating effect on the succession process when the difference is large insofar as the succession process needs to take place early in the life of the successor. This often means that incumbent and successor need to plan the succession process together, which has an overall beneficial effect for the entire process.

| Facilitators from the family system | | F | M |
|--|---|-----|----------|
| Age constellation between the successor and incumbent | <i>M: The age difference between my father and me is relatively large because I am the youngest child. And we knew, I knew, that I would want to work somewhere else first and that I would want a certain overlap working with my father. And my father knew that he would not want to work until he was 80.</i> | F3* | M2 M8 |

After having considered the facilitators originating from within the family system, the barriers associated with the same system will now be reported.

The decision of a sibling (or cousin) to pursue a career in the family business can constitute a barrier to succession especially for younger siblings. This was the case in three female cases and one male in the current study. Interview partners M1 and F6 are younger siblings. The successor in case F2 was the oldest of four sisters who felt hindered by the presence of her younger sister within the family business. Interview partner F7 was an only child whose presence in the family business was not needed because her male cousin took over management initially. Since all of them did eventually become the successor of their family business it did not appear to be an insurmountable barrier but rather to have a delaying effect.

| Barriers from the family system | | F | M |
|---|---|------------------|----|
| Decision of sibling/cousin for the family business | <i>M: That resulted from a situation in which – not to get into private areas – my brother was otherwise engaged [in another relationship]. He should have come [into the business]. There was a breakup and he came back. Then my brother was back on my parent's doorstep and because I thought the business not big enough for both of us, there was an on off situation. Which is why, in this situation I wanted to know what was going on. So, succession was an externally driven issue. It was not that I wanted the succession situation clarified, but rather that my situation became somehow unclear.</i> | F2 F6* F7* | M1 |

A different picture can emerge in sibling teams. One interview partner working together with her younger sister makes her decision to become one of the successors dependent on her sister's decision to do so also. She does not feel up to the task on her own and is only ready to take on the challenge if she can share the burden with her sister.

| Barriers from the family system | | F | M |
|--|---|-----|---|
| Decision of sibling against the family business | <i>F: If my sister would say: „It won't work; I'm not interested anymore and I can't imagine being here any longer" that would be too much and it would mean that I would also see things differently. So no, it all depends on my sister and if she can imagine it or not. She has to see whether she wants to [be the successor] or not. But I don't want her to feel like she is the bogeyman.</i> | F3* | |

As seen before, a positive relationship between successor and incumbent can have a positive effect on the succession process. When the personal relationship between the two most important players in the succession process (Sharma et al., 2001) becomes conflicted however, this can have a major detrimental effect on the succession process. This was observed in as many as half the succession cases included in the current study. An equal number of male and female successors reported evidence to this effect. From the current data, this barrier seems to play an equally important role in male and female succession. Dumas (1990) reported female succession to be generally less conflicted than male succession. The current study cannot support this conclusion. All four female interview partners report how the conflict in the succession situation also affected the personal relationship between them and their father. One interview partner even reports that it inflicted lasting damage to this important relationship, which before the succession was conflict free. Two of the male interview partners also report that their relationship with their fathers might have received permanent damage.

| Barriers from the family system | | F | M |
|---|--|----|-----|
| Conflictual relationship between the successor and the incumbent | <i>F: Well, I had a big fight with my father because I wanted to do things differently, because I wanted to do things my own way.</i> | F1 | M3 |
| | <i>F2</i> | F2 | M4 |
| | <i>So, the succession was being made extremely difficult for me</i> | F4 | M5* |
| | <i>and revolved around typical mid-size company succession</i> | F6 | M7 |
| | <i>problems.</i> | | |
| | <i>F: That did not only burden [the relationship with my father] it damaged it. And I hadn't realized that this change-over process would take so long; but I was convinced that it was the right way to go and didn't allow myself to be misled or pressured even though I was punished with withdrawal of affection and the whole gamut.</i> | | |
| | <i>M: Yes, very often when I am sitting with him. I can't talk openly about things that worry me; that doesn't work. And I don't know if it is somehow too late. There is a time for everything; maybe that time has passed.</i> | | |

More general family conflict was reported in a total of five cases. Conflict between the successor and other family members as well as between other family members can have a negative effect on the succession process insofar as it

becomes clear that the succession process is taking its toll on the personal relationships. One interview partner reports that seeing conflict emerge between her older sister and her father had a deterrent effect on her interest to become involved in the family business as she feared that doing so might also negatively affect her relationship with the incumbent.

| Barriers from the family system | | F | M |
|---------------------------------|--|------------------------|-----------|
| Family conflict | <i>F: And then I said, „ But if you don't like that and if that doesn't suit you or whatever, right?“ I have tried my best; I know I cannot please everyone all the time.</i> | F2 | M1 |
| | <i>F: And what deterred me was how the relationship between my father and my sister had deteriorated. When you witness it happening you think this could also happen to you [...] in the end it was even worse than I could have ever imagined. And I must honestly say, if I had known what kind of problems would result and the kind of collateral damage that would hit the family, I would not have done it.</i> | F6 F7 | M8 |

In a number of cases, the interview partners referred to previous succession and the family history in order to explain why certain succession rules or heuristics such as the exclusion of female family members in succession continued on in their generation. It appears that the history of the family business and the family traditions concerning succession rules can have a lasting effect on later successions.

| Barriers from the family system | | F | M |
|--------------------------------------|---|-----------|-------------------------------------|
| Succession and family history | <i>M: That was the position of my grandfather's then-tax consultant. That's why the company shares went to my father in the successor arrangement and the sisters or the heirs of the sisters received other assets in the succession agreement.</i> | F1 | M1 |
| | <i>M: We are the third generation. My grandfather had an agricultural business and an official railroad transportation [business] with horse and wagon. That was what my father got into it after the war. My father arranged the transfer of assets with his siblings according to land and forest laws, so there was no discussion about his acquiring it; the others were bought out and that was that.</i> | F7 | M3 M7 M8 |

The last set of barriers is related to the immediate family situation of the successor concerning the spouse and children. This is one of the few aspects of succession in which male and female succession appears to differ even today insofar as it is more often reported as a barrier by female successors than male successors.

The first barrier is related to the fact that female successors can perceive the wish to have children of their own as difficult to combine with the demands of

the family business. Two female interview partners report not knowing how to meet this challenge in the near future.

| Barriers from the family system | | F | M |
|---------------------------------|---|----------|---|
| Wanting children | <i>F: My wish is for things to go on as they are now. I am doing something that makes me happy and everything works fine as it is now. But naturally, further ahead, no idea; In any case I want to have children [...]. And not in five years; rather sometime soon, at least I think and those are always the variables to consider; how we will manage to arrange things and family planning. And we don't really have a solution at the moment for it all, I have to admit.</i> | F2 F3 | |

The last barrier allocated to the family system is also related to the difficulties arising from the combination of work and child-care or family responsibilities. Three female interview partners describe the challenge a working mother has to face. Despite the fact that many think that the flexibility offered by the family business is beneficial, they also report how difficult fulfilling both the task of mother and successor was. Interestingly, one of the male interview partners also reports that his first marriage failed in part due to the demands placed on him by the succession process. This suggests that the issue is also of relevance for male successors if, however, found to be of relevance in only one male succession case compared to six out of eight female succession cases.

| Barriers from the family system | | F | M |
|---------------------------------|--|------------------------|----|
| Own family | <i>F: I always feel guilty, right? When you are here in the company, you have a guilty conscience because you aren't home with your children. And when you are at home [outside] office hours, you think, damn, I should be in the office. That is one of the biggest challenges because anyone who says that you can combine work and family is lying. M: My first marriage finally broke somehow with [the time overseas] and coming here [into the business]. Right? Because it doesn't work. That was not our life plan. That is, the partnership with my then-wife ... she couldn't live that way. That she was the centre of attention, more or less as an owner's wife and so on. Well, she couldn't come to terms with it.</i> | F1* F4 F5 F7* | M8 |

The facilitating and inhibiting influences allocated to the family system have been discussed in detail. The following section will follow the same procedure and take a close look at the factors emanating from the ownership part of the family business system.

The ownership system

The *ownership system* connects the business and the family system. It contains all elements concerning ownership succession and the transfer of ownership among the family members. The current analysis produced a number of barriers (2) as well as facilitators (4) stemming from the ownership system. The barriers will be considered before the facilitating factors are discussed. The way ownership is transferred from one generation to the next is heavily influenced itself by the legal system and the tax laws imposed on the transmission of wealth and business shares. Issues concerning tax laws were already mentioned when environmental factors were investigated.

A situation in which the owner manager does not hold more than 50 percent of the shares of the family business is often considered difficult as he or she is unable to take certain business decisions without asking the other shareholder(s). A total of four interview partners report that wanting to obtain or not having the majority stake in their family business had a negative effect on the succession process. One of the female interview partners describe how she was only willing to take on the challenge of saving the family business if the majority of shares – the business found itself in financial difficulties – were gifted to her. This met with some initial resistance from her parents and siblings alike, but was overcome in the end. The other three interview partners report not owning the majority of shares which caused some difficulties initially; they discuss how they dealt with this situation.

| Barriers from the ownership system | | F | M |
|------------------------------------|--|-----------------|----|
| Ownership share | <p><i>F: And basically, on his death bed, my father gave my sister and me equal shares in the firm because he wanted to treat us equally. Naturally, for me, as the one who is tied to the firm and its ups and downs, it is emotionally hard to accept. Intellectually, I can understand it; he really had no choice. He was so sick, he died the next day. So it was necessary to act. I am negotiating with my sister how and in what form I can take over some of her shares.</i></p> <p><i>M: And later on I tried to buy out my sister; it failed not due to the conditions, but due to emotional ties. It wasn't possible. Then I built a holding structure that gave me a great deal of decision making freedom, and I acted like a founder. And my sister let me.</i></p> | F1 F2* F5 | M7 |

Negotiating the transfer conditions related to ownership shares the successor sees as necessary for succession to proceed can slow down the succession process. In one case, the first attempt at succession failed because there was no consensus on the conditions. In other cases the conditions dictated by the family

business before the successor can take over the family business can have the effect of a barrier to succession.

| Barriers from the ownership system | | F | M |
|------------------------------------|--|-----------|----|
| Transfer conditions | <p><i>F: You can run a company very well, but many examples have shown that if things are not regulated and if you have to buy someone's shares from one day to the next, that can be the end. And I didn't want to go in under those conditions.</i></p> <p><i>F: So, I told my dad, that first I want company shares immediately when I come on board; if I join, I am not joining as manager, but rather as shareholder. Furthermore, it has to be arranged so that I get all the shares in the course of one year. Until I arrive it is your task is to arrange thing with my sisters and your wife—because my father had remarried; my mother had died several years before – you arrange for them to sign over a renunciation of the mandatory shares. Otherwise, I am not coming. I won't do that to myself. I will put all my effort into developing and building the business up and you never know how long you will be around. Then you die and money is money and house is house. To value such a firm is always a difficult task no matter how well you get along. And you never know how well things work out in the future. So those were my conditions and he arranged it all.</i></p> | F2* F6 | M8 |

In a couple of cases the conflict reported between the owners of the previous generation (here also family members) was found to have had a complicating effect on the succession process. These situations placed the successors under a lot of pressure that had to be dealt with at the same time as the challenge of learning to manage the family business had to be met.

| Barriers from the ownership system | | F | M |
|------------------------------------|---|----|----|
| Conflict between owners | <p><i>M: I remember well that around New Year's Eve that year we received the resignation of the shareholder holding 49 % [...]. We were talking then about the equivalent of over 5 million Euros that he wanted to get. Fortunately, the head of our advisory counsel succeeded [in not] paying out the entire sum, but negotiated a reduced amount. We argued that a lower amount would indebt the company, but would at least offer the chance of keeping the company alive, which was relatively slim at that time. So my start here at the company was a hefty loan. A hefty loan. But through that my family branch held 100 %. That results in me being sole shareholder today.</i></p> | F7 | M8 |

In Germany, the gifting of shares during the lifetime of the incumbent can create tax advantages. The way ownership is transferred to the next generation can have a strong influence on the way the gift is received and perceived. If the transfer is not talked about previously, as was the case for two males, the generous act may have a negative rather than a positive effect on the successor. In other cases, in

which the transfer of ownership is delayed, the successor might not feel that the incumbent is committed to the succession plans.

| Barriers from the ownership system | | F | M |
|------------------------------------|--|----|----------|
| Giftng of shares | <p><i>F: You could say that the succession has been set down on paper. There is a will confirming it. But paper is forgiving. The banks have been informed that my dad has arranged his succession so that aim has been achieved. But in reality a succession plan is still light years away.</i></p> <p><i>M: When I was 15 and my sister a little younger, we became shareholders. There was no discussion with us, nothing was explained. An appointment was made with a notary; a document was put before us, and he said: "Ask no questions: just sign!". That was my father.</i></p> | F4 | M5 M7 |

Moving from the barriers from the ownership system to the facilitating factors reveals that only a few such factors were identified in the current study.

It comes as no surprise that a number of successors interviewed in the current study attest to the fact that owning a majority stake of the family business makes management of the family business easier as it allows the successor the power to make important decisions for the family business that are not necessarily supported by the other family shareholders.

| Facilitators from the ownership system | | F | M |
|--|--|----------|-----------------------|
| Ownership share | <p><i>M: At some point during our school years we became silent shareholders, 2 or 3 percent. A little later I joined in a direct investment. So, as a result, I became a full shareholder sooner than planned. Then last ... was it last year or the one before ... the year before last, I think. At the end of the fiscal year, we planned the ownership succession and then signed the inheritance contract. In that [document] the silent shares became real shares. My brother was shareholder. And he would get some more shares in the inheritance, whereas I would get the significant portion of shares one day.</i></p> <p><i>M: On the shareholder side, my father's the guiding principle was always that there can only be one captain on the ship. So he always pushed the succession in my direction.</i></p> | F6 F7 | M1 M2* M3 M8 |

In Germany business shares can currently still be transferred to the next generation using special tax benefits if certain conditions are met now and in the future (ErbStG, §13a). Ownership succession is an important part of the succession process, and the gifting of shares is an integral part of this process. Gifting shares early can have a facilitating effect on the management succession process insofar as it encourages the individuals involved to think about succession. This was found to be the case in a large number of male succession cases included in the current study and in three of the female succession cases. The

German tax system currently allows gifting a certain amount of money or shares to close family members such as children within a ten year without incurring taxes (ErbStG, §16). In order to use this regulation to save inheritance taxes, parents often start gifting shares to their children early on in the life of the offspring.

| Facilitators from the ownership system | | F | M |
|--|---|-----------|------------|
| Gift of shares | <i>M: The next point that [sticks] in my memory, I would say I was 15,</i> | F3 | M1 |
| | <i>16 maybe. That was a time when one of our shareholders in the 3rd</i> | F5 | M2 |
| | <i>generation, retired and the two remaining shareholders, my father</i> | F6 | M3* |
| | <i>and my great aunt, took over the shares. In the wake of this and</i> | | M4 |
| | <i>what followed, the question arose, as my father so nicely put it,</i> | | M8 |
| | <i>„Now that I have these shares, I need to get rid of them again.“ And</i> | | |
| | <i>our principle is that we always try to have one family member in the</i> | | |
| | <i>company leadership and this family member should also hold the</i> | | |
| | <i>majority of the company shares. So the succession in our case is</i> | | |
| | <i>somehow a question of assets transfer, which is related to the</i> | | |
| | <i>gifting of asset shares.</i> | | |

Now that the findings concerning facilitators and barriers associated with the ownership system have been described, the focus of the next subsection will lie on the factors of the business system.

The business system

The *business system* encompassed all influences that stem from the activities of the family business, such as the influence of business performance or the employees. It does not include the influence of the TMT or the BOD as this constitutes the focus of the *management system* which will be considered subsequently. The current analysis will consider which elements of the business system were reported to have an influence on the successor and the succession process. As in the previous sections, factors were grouped into facilitators (6) and inhibitors (4), which will now be considered in turn. Illustrative quotes will be provided following the explanation.

In a number of cases it was found that a business emergency can have a facilitating effect on the succession process in that it can create a situation in which the successor is needed immediately. Interestingly, this was found to have been the case in four of the female succession cases in the current study but none of the male succession cases. This supports findings that daughters join the family business often in an emergency situation here pertaining to the business rather than the family. Similarly, a financial crisis in the industry was reported among the facilitating factors emanating from the environmental system. Three

male successors who felt the effect of this factor were also included in the cases as was pointed out in the previous section but not reported here.

| Facilitators from the business system | | F | M |
|---------------------------------------|---|-----|---|
| Business emergency | <i>F: Then [suddenly] our designer got sick and someone had to have a look, and then I simply jumped in. Who else? And I had just been in Asia and knew mostly how things worked and had to help out.</i> | F2 | |
| | | F3 | |
| | | F6* | |
| | | F7 | |

In a number of cases it was found that the work situation outside the family business, in which the successor is limited in his potential, can lead a potential successor to consider a career move into the family business as advantageous. This was relevant for three male and two female successors. The three male successors stress the importance of the advantage to work freely as entrepreneur in their own business rather than as employee in a big corporation. This was also named as important aspect by two of the female successors.

The possibility of working flexibly in the family business is perceived as advantageous by four female successors especially when the need to combine work and child-care responsibilities arose. This is closely linked to the issue of calculative commitment discussed previously as well as influences from the family system.

| Facilitators from the business system | | F | M |
|---|--|-----|----|
| Advantages of working in the family business as opposed to outside | <i>M: I also learned what a big corporation means and how slowly the wheels grind in such an industry. How little dynamism and entrepreneurial spirit there is. How very average managers can be. Then I rubbed the boss the wrong way and showed my lack of understanding for how some things were done.</i> | F2 | M1 |
| | | F6 | M3 |
| | | | M4 |
| | | | |
| Flexibility | <i>F: Then there are grounds to be, to say it clearly, a bit egotistic. If I go to another company to work, I have to be clear that I will eventually earn more money and have a job that might be fun for a short time; but I won't have the possibility in another business to have a flexible schedule and freely divide [my time] to be as fair as possible to my children. And that is simply a deal-breaker, so to say. I can't find those kinds of conditions in any other company.</i> | F1 | |
| | | F4* | |
| | | F5 | |
| | | F7 | |

A number of successors report that the succession constellation surrounding the family business did have an influence on their succession decision. A lack of perceivable succession alternatives, such as a sale of the company or take over by external management, can have a facilitating effect on the succession decision insofar as the successor feels obliged to take over. This can be linked to the issue of normative commitment.

| Facilitators from the business system | | F | M |
|--|---|----|----|
| Missing succession alternatives | <i>F: Also, succession was not planned in our company. I have no brother; there are no male cousins who could have been considered and selling the company was out of the question.</i> | F1 | M4 |
| | | F2 | M8 |
| | | F6 | |
| | | F7 | |
| | <i>F: In that situation, no one else would have done it. Because, I think, no one from outside would have been ready to take on the risk.</i> | | |

Seven successors, four female and three male successors, reported the importance of an interest in the product or service provided by the family business. It was found to be helpful for the succession process but not a must for a future in the family business. This finding is not surprising as an interest in the activities of the family business would be expected to be of importance for a successful future and career in the family business.

| Facilitators from the business system | | F | M |
|---|---|-----|-----|
| Interest in the product or service | <i>F: I found it all again here and confirmed that it is exciting. Metal is used in many places in our lives. Zinc, for example, in our bodies. Without zinc, our immune system doesn't function correctly. That isn't something that you think about. The heavy metal industry is a very special field. You deal with the pharmaceutical industry, nutrition, chemistry; basically, you have to deal with life. I found that so exciting that I said, „Yes, if you think that works. I will stay.“</i> | F2 | M3 |
| | | F3 | M4* |
| | | F4* | M6* |
| | | F8 | |
| | <i>M: It's a great product, right? It would perhaps be more difficult for me to sell metal screws. Ours is a product that touches all the senses. And it's neat that you have a natural product we work with. But dealing with the product is normal. That is all. The clients are exciting, very dynamic and often very complicated, and very close to what we do. It is a foodstuff, yes but I am not passionate about it.</i> | | |

A good relationship with the employees of the family business can have a facilitating effect on the succession process. This was reported by five of the successors. In further three cases the feeling of responsibility towards the employees is seen as an important factor in the succession decision. Again this factor is closely related to normative commitment as the successor exhibits a feeling of obligation towards the employees and their families.

| Facilitators from the business system | | F | M |
|---------------------------------------|---|----|----|
| Relationship with employees | <i>F: So, I had to see it through on my own, but I had really great people to work with who said, „We trust you; you have the values and you bring so much energy in and you are so professional. That is the future. Finally, there is someone who is taking on the responsibility.“</i> | F3 | M6 |
| | | F4 | M7 |
| | | F6 | |

(Continued)

| Facilitators from the business system | | F | M |
|---------------------------------------|--|----------|----|
| | <i>F: I would not have been able to bear looking at our people and saying to them, simply because it was getting a little exhausting: "Go with God, but go!". I would not have been able to do that.</i> | F2 F8 | M5 |

After considering the facilitating effects, the following section will investigate which inhibiting effects can emanate from the business system and influence the successor and the succession decision process.

The family business naturally places demands on the qualifications of the future leader. A lack of such qualifications needed for succession can have an inhibiting effect on the succession process. In the cases included in the current study the successors report having felt the need to acquired missing skill during the succession process which was experienced as a challenge. The lack of qualifications reported here is not an objective lack but rather the feeling experienced by the successor. It is surprising that this personally perceived lack was reported by four female and three male successors. It seems reasonable to assume that if the lack of qualifications is perceived as severe, it might prevent the succession altogether. None such cases were included in the current sample.

| Barriers from the business system | | F | M |
|-----------------------------------|---|----------------------|----------------|
| Successor qualification | <i>F: The way I did it, in training would not have been possible anymore. You need proper training and you need a foundation in business. I acquired those. But it was an uphill grind. You have to be able to do it; otherwise you can't lead such a business; and you have to be a leader and that still I acquired through self-study. I don't think that that would work anymore today. I wouldn't want my child to have to learn that way.</i> | F3 F5 F7 F8 | M3 M5 M7 |
| | <i>F: Or what a suitable field is for someone who has no idea but it was very important for me to emphasize; that works, I think, only when the team, the employees go along. I have no illusions about that; if it were not our family business, I would not have had the chance.</i> | | |
| | <i>M: By the time I had [found] a clear path [for myself] and no longer thought about how my father would have made the decision or asked the other manager what they would do, it was three years later [...]. And after this exploration phase, these three later, I had participated in a bunch of management seminars.</i> | | |
| | | | |

In order to make sure the successor has the needed qualifications as future leader, some family businesses have developed clear guidelines which qualifications a potential successor needs to obtain in order to be considered for a

position in the family business. In the current sample this was the case for one male successor only. Such guidelines can be perceived as barriers to succession if the successor does not feel like he or she can achieved the demanded qualifications. The presence or absence of such guidelines will be closely linked to the degree of professionalization of the family business and succession planning.

| Barriers from the business system | | F | M |
|--|--|---|-----|
| Explicit requirements the successor had to fulfil | <i>M: So, it was the case that we had a very elaborate set of requirements that [anyone who] was a potential manager had to fulfil. We were all aware of it and knew the rules. That alone makes an impression, well, you have it in mind, that is to say, okay, I have to know two languages. And I must have one, but better two, university degrees. And so on, and so on, and so forth. That alone gives you an initial direction.</i> | | M6* |

Also linked to the degree of professionalization of the family business are the structures the successor finds when entering the business. The succession process can be slowed by missing structures within the family business insofar as the successor needs to create structure before he or she can move the business forward. This was the case in four female and two male successors included in the current study.

| Barriers from the business system | | F | M |
|-----------------------------------|---|----------------------|----------|
| Missing structures | <i>F: So, I joined. Three computers, no internet access, nothing. No corporate identity. I had no idea where to begin or end. Then we had the first discussions because naturally we need to make investments. And that costs money initially. And the completely new corporate identity. And nothing should cost anything and you are paying for computerization and marketing. So, I thought, well, I knew it was going to be challenging, but I never imagined it would be this challenging. And that you argue over basic [things]. M: What the business had noted since I came in in 2005 is the overall professionalism.... in 98, 96, that was gone due to the second layer of management. And the reason I say I had a hard time when I came in ... it was not due so much to the market [which] was difficult; the difficulty was not so much with the employees who were unfriendly toward me or worked against me. It was simply that I found so many skeletons buried in this organization's closets, right? For four, five years [...] I was digging up skeletons.</i> | F3 F4 F6 F7 | M3 M4 |

Considering succession in a family business that is in a precarious financial situation can be daunting for the potential successor. Such circumstances were found in three female and three male succession cases included in the current study. It was found that in some cases the incumbent might not want to pass on the family business in such a situation or a successor might not want to take over.

Therefore, a bad financial situation on the family business can have an inhibiting effect on the succession process.

Furthermore, poor financial performance of the family business can negatively influence the compensation the successor is receiving, which in turn can be perceived as an inhibiting influence. This was found to be the case for one female and one male successor.

| Barriers from the business system | | F | M |
|---|---|----|----|
| Bad financial situation of the family business | <i>F: From one day to the next I had to do things that experienced businessmen with their own companies said would be better left alone. You would be rid of the debts all in one go.</i> | F2 | M2 |
| | | F5 | M3 |
| | | F6 | M4 |
| | <i>F: It could also be that my father will come to me one day and say: „In my opinion, the industry has become so bad. I don't want to pass on the company anymore since I can't pass it on in good conscience given the financial situation. I will sell the whole thing now or dissolve it or maybe alter it and make it so small that I can manage it again on the side.“</i> | | |
| Inadequate successor compensation | <i>F: I can't do it that way much longer. I have to earn more money. You're not going to give out more; I can't earn more than I already do. The possibility isn't there. You can't pay me a higher salary I can no longer work here. M: Then things became badly very quickly with reduced income and so on. And I didn't earn much money, you see? So, I wasn't one of those who got a bonus or anything. My wife earned more than I did.</i> | F5 | M8 |

The next system to be assessed concerning its influence on the succession process is the management system, which is closely connected to the business system.

The management system

The management system entails all the elements connected to the top management team (TMT). The TMT can be composed of family members and non-family members. Influences related to the incumbent and the cooperation within the family business are considered part of the management system. The establishment of the successor in the TMT is considered to be another important influence of the management system on the succession process. Therefore, influences related to succession planning or a lack thereof will be referred to in the current section. Influences from the BOD and advisory board will also be reported here as it is considered to exert an influence at the highest possible level

within the family business. A total of six facilitating and five inhibiting factors will be considered in detail in the following section.

If cooperative, working with another family member can have a positive effect on the succession decision. This was found to be the case for three of the female successors. In the current analysis, the following family members were mentioned: sister, brother, husband. Interestingly none of the male successors reported working in a team with other family members. This is in line with findings that women are found most often in management teams (Gersick et al., 1999).

| Facilitators from the management system | | F | M |
|---|---|----------|---|
| Working with family members | <i>F: I can talk about things with my sister like with no one else.</i> | F3* | |
| | <i>Neither with my father nor with other employees. We are often on the same page because we have the same experience and every-thing. The exchange is unbelievably important and I don't think we would be so in tune with each other if we hadn't supported each other.</i> | F5 F8 | |

The most important working relationship is that between the successor and the incumbent. It was reported to be crucial in facilitating the succession process by three female and four male successors included in the current analysis.

| Facilitators from the management system | | F | M |
|---|--|----|----------------|
| Good working relationship with the incumbent | <i>F: And for me, it is incredibly good to know in the back of my mind that my father is there [and] I can talk things over with him when I have to make a decision. We three often sit together and talk a lot; that is really the best when you stay in touch [with each other] to make decisions.</i> | F5 | M1 M2 M8 |
| | <i>M: In that sense, my uncle saw me as an equal, so to say. That was a great cooperation we had.</i> | | |

One of the important aspects of good cooperation between the successor and incumbent is the incumbent's ability and willingness to let go of responsibility and hand it over to the successor. This was reported to be the case for one female successor and four male successors.

| Facilitators from the management system | | F | M |
|--|---|----|----------------------|
| Incumbent's willingness to let go | <i>M: It was really, really important, [and] it worked so well in my opinion, [not because] I was so gifted, but rather because my father drew back. So, I did a little more than was perhaps opportune, and my father stayed in the background a bit more than was necessary. So, I would give him more credit for things having worked out. Even though he had been very patriarchal earlier, he had to step back for the transition to work.</i> | F3 | M1 M2 M3 M8 |
| | | | |

In three cases the early involvement in the BOD was reported to give the potential successor insights into the family business and the management of such a business. This was observed in one female and two of the male succession cases included in the current study. The possibility to work with the BOD and become involved gave the successor an advantage to be put to use later on in their career. The presence of a BOD or similar governance body is again related to the degree of professionalization of the family business.

| Facilitators from the management system | | F | M |
|---|--|----|----------|
| Influence of the BOD or equivalent | <i>M: I was 20 years old when I was on the advisory council as minute taker basically the first [few] years [...]. I got a lot [out of it], clearly. And I saw a very different side of my father. And, 98 was the point at which I got [my] first hands-on impression of the company, up close through the council, how things ran, what happened, how employee management [was done], what the issues really were.</i> | F8 | M2 M3 |

One important aspect of the management system is the way in which the TMT accepts the successor and supports him in the succession process. When the successor has the support of the management team, this is naturally experienced as facilitating factor. This was found to be of importance in one female and four male succession cases.

| Facilitators from the management system | | F | M |
|---|--|-----|----------|
| Support from TMT | <i>F: And he took me under his wing. And I found people I could really trust, people who said, „We’ll do this together; we’ll help “</i> | F8* | M1 M2 |
| | <i>Nevertheless, again, I think as the generation before experienced it, it was about the company, not about ego [...]. And here, I have already said, that employees, especially those that three who built the firm with my father. And the fourth, who came later [...]. They decided one day that they were my three musketeers. And the fourth was D’Artagnan.</i> | | M7 M8 |
| | <i>M: To take over responsibility is something that I tell everyone is something you don’t learn from a father or an uncle, but from someone on the outside of the family. When I went into the business, there was a top manager whose contract my father had extended, especially so that he could introduce me in the industry. So I basically sat in the car with him for two years. We traipsed around to all the dealers and suppliers and everyone else. For me, going into the business, he was very, very important. To learn about the industry. To establish my own point of view. Not somehow to trail around behind my father to be introduced as „junior“.</i> | | |

The succession process can be facilitated when the successor can choose his or her own TMT as the old management team is often still loyal to the incumbent

and sometimes resisting the change in power. This was the case in three of the female and three of the male succession cases.

| Facilitators from the management system | | F | M |
|--|--|----|----|
| Selecting own TMT | <i>F: I thought that 80 % of management were not up to the task. So I said that I needed to cut loose those that were not up to it and talk to the others. I had to develop a performance and development tool to communicate what I wanted and that I would give [them] time. When the time is up, though, it's up or out. And 8 years later, 80 percent of the original management team was no longer there. Only a few made it. It is clear that if you don't make a decision, you get the people you deserve. Logical.</i> | F3 | M3 |
| | <i>F6</i> | M4 | |
| | <i>F7</i> | M8 | |
| <i>M: For five, six years I had only crises situations in the company. Always dousing fires, always work. Then last year I built my own management team, found and hired each one of them.</i> | | | |

Now that the facilitating factors have been considered, the barriers emanating from the management system will be discussed.

A cooperative relationship between successor and incumbent can be beneficial, when the relationship is conflictual however, it can have an important negative effect on the succession process. This was found to be the case in three of the female and three of the male succession cases.

| Barriers from the management system | | F | M |
|---|--|-----|-----|
| Problematic working relationship with the incumbent | <i>F: I can only say that it was much worse that I could ever have imagined in my worst nightmare. My father went so far as when I was not here, when I was on vacation, to stir things up with the employees and management, even though he had no business authority to act. Then he said that it was his biggest mistake to have given me control of the company and that I was incapable of running the company.</i> | F1* | M4* |
| | <i>F4*</i> | M5* | |
| | <i>F6</i> | M7 | |
| <i>M: [My father] is a typical patriarch. He doesn't take position, sometimes decides out of apparent contrariness and his decision making process is incomprehensible [...]. When I started to discuss [something], I determined that it was useless to be confrontational because, my father's typical behaviour is, when you have finished, he stands up, gets a coffee and has something else to do. You go to his office and think, yes, you have expressed your position and find out things were different. And that led to a certain tension.</i> | | | |

As it was pointed out by previous research (Handler, 1990; Lansberg, 1988; Seymour, 1993; Sharma et al., 2001), an incumbent's inability to let go of responsibility can severely inhibit the succession process. This was found to be of relevance for five of the female and three of the male succession cases. In three cases this was found to be a major factor having a negative effect on the succession process. In those three cases succession was reported as not completed.

| Barriers from the management system | | F | M |
|--|--|-----|-----|
| Incumbent's inability to let go | <i>F: He is not the type to stop. When he was almost 76, in February he will be 76, he still sat in front of me and made business plans that he wanted to carry out in 2018. So that it is on the issue of leaving, giving up the leadership. He is not the [kind of man who] stops. He is [one of those] who will be carried out of here feet first. There is no readiness on his part to let go.</i> | F1 | M4* |
| | | F2 | M5* |
| | | F4* | |
| | | F5 | |
| | | F6 | |
| | | | |
| <i>M: My father will remain with us for a little longer. He wants to continue. Because he just can't do it any other way. Even if he were on the advisory board or in a similar position- I don't know what - he would still meddle.</i> | | | |

Similarly to the relationship with the incumbent, a negative relationship between the successor and members of the BOD can have an inhibiting effect on the succession process. The successor needs to establish a position of authority to deal with the BOD in order to contain this conflict on the highest level. This was the case for one male successor.

| Barriers from the management system | | F | M |
|-------------------------------------|--|---|-----|
| Conflict with BOD | <i>M: At that point, I attacked the advisory board and said, „Look my friends; if you don't take responsibility for the business and really take a look and recognize my rights as a shareholder, then I will resign my management post and come back as a shareholder and I will hold you accountable for what's going on here.</i> | | M3* |

A lack of succession planning can leave the successor in an unclear position and without any power to make changes in the family business. This was found to be of relevance in a total of ten out of the sixteen succession cases included in the current study. Especially in cases in which conflict occurs and the successor is powerless to take measures to end it, this can have a very negative effect for the standing of the successor within the family business and its TMT.

| Barriers from the management system | | F | M |
|--|---|----|----|
| Limited power of the successor | <i>F: I am unwillingly... my father has kept me in limbo for a number of years. For me, it is... it isn't a nice feeling; basically it is very demotivating because you are stuck. You can't realize your potential. It's not a nice feeling.</i> | F1 | M3 |
| | | F3 | M4 |
| | | F4 | M5 |
| | | F5 | M6 |
| | | F6 | M7 |
| | | | |
| <i>M: There was no possibility of trying things out. Even if you were convinced, you couldn't get the experience you needed. That is you had an idea and communicated it and it was swept aside. The only thing to do was to try the idea out in a small way and then to articulate it along with the results. So that was my strategy. That's how I did a lot of things, through the back door.</i> | | | |

(Continued)

| Barriers from the management system | F | M |
|---|---|---|
| <p><i>M: I can't stand this situation much longer. Can I do it or not? Do I want to do it or not? I can't do it anymore. At some point, you have to make a decision. So, I say, you can compare it to a relationship. When I was in a relationship and I waited too long... Is that the right one now? Then at some point I said, okay, I don't care anymore; I'm finished, done. I can't manage this limbo anymore. And that is the limbo that I am in right now. And over the long term, it does you in. That is the most strenuous thing about [it all]. It is less stressful to work flat out. It is more stressful not to know where you belong. And that I can't deal with anymore.</i></p> | | |

Conflict with the TMT can have a strong influence on the succession process insofar as the successor needs to negotiate his or her position within the TMT. This was the case for five of the successors included in the current analysis. It appears that the successor needs to take charge to solve this conflict or remove the conflicting party if succession is to continue successfully.

| Barriers from the management system | F | M |
|---|-------------------------|-------------------|
| <p>Conflict with TMT</p> <p><i>F: Twice I was ready to say, I quit. One thing was the result of the relationship with our other managing director, right, because he kept aggravating me on purpose. I could not find a way to change it. He would always thwart me. Talking to him didn't work and I don't know, eventually I was so angry, after three or four years, right? And I remember that it was a Friday morning or, it doesn't matter, I said to him: „You know I think we need to talk. And he was like, yeh yeh yeh, of course we can do that.“ So I said to our other manager, you know, I think we need to talk [...]. And then I said: you know what? You have certain strengths, a couple of weaknesses [and] so do I; I think that we could work really well together. We can continue fighting or we can stop. I would enjoy cooperating with you and it would make me happy if we did because I am really convinced that would work out well. So think it over on the weekend. And I will give you one little bit of information to help you to decide by telling you that I will not be the one to leave. And we never talked about it again. As of Monday, he was a changed man.</i></p> <p><i>M: At the end of 3 years I had a direct confrontation with the head of the management team about the future of the company. Then he began to look into things with the advisory council, but it all led to a split after a year. Then there was another manager who became very ill suddenly with cancer. Then [we] had a manager from a big company, recommended by the advisory council, who was a catastrophe; he introduced SAP, that I went along with as operations manager [until] I reached the point 3½ years ago that I said to the council, „Do you know what? Enough! I don't want another managing director. I will do it myself!“</i></p> | <p>F1 F6 F7</p> | <p>M3* M4</p> |

Now that the influences from the management system have been considered, all four subsystems of the family business system have been covered. The last set of influencing factors encompasses those factors originating from within the successor i. e. the individual system.

4.3.3 Influences from the individual system

The individual system encompasses all characteristics belonging to the successor. It is well beyond the scope and not the intention of the current analysis to assess all such characteristics. The factors reported here were deemed to be of such importance for the succession decision process that they need to be mentioned for the successor profiles to be complete.

A number of successors reported how important personal resilience was for the succession process. The ability to cope with conflict in the business and the family was felt to be crucial by three female and three male successors. Conflict and stress cannot be prevented in the succession process, therefore successors need to develop coping mechanisms to make sure that they are not hurt by the experience.

| Facilitators from the individual system | | F | M |
|---|---|----|----|
| Personal resilience | <i>F: What helped me most is that you have to understand that sometimes it won't be so harmonious or that you are the black sheep of the family. And then you have to distance yourself a bit for self-protection. You say, okay, it is difficult and a bitter thing when you don't get what you want, but say, sibling solidarity or love or whatever you call it. As long as I can look yourself in the mirror and say: "Okay, I haven't done anything wrong; I haven't betrayed anyone or anything like that; I meant well." And if the others interpret it differently or are jealous, you have to deal with that too. Then it is too bad and very difficult, but you have to be in a place where you have your own friends, family, not your birth family, but your [own close] family, and you can say: „I can live with that.“</i> | F2 | M3 |
| | <i>F: I have a different view of stress than some others. I don't see stress that way. If I compare my husband and me; we are naturally closest. My husband suppresses everything; he has a harder time with decisions. I push through something and it doesn't stress me out. It doesn't stress me out and it doesn't disturb my sleep and I don't agonize about it. That's a character thing, I think?</i> | F6 | M4 |
| | <i>M: I think that the reserve of strength of most people is greater than we can imagine. At least, mine is. So with a goal, to work toward a goal, I had the strength to work toward it.</i> | F7 | M8 |
| | <i>M: So you go from one faux pas to another and have to try to have a thick skin so it doesn't destroy you.</i> | | |

For four out of the sixteen successors, it was reported to be of great importance to want to become an entrepreneur. In these cases the wish corresponds to the task to be fulfilled in the family business.

| Facilitators from the individual system | | F | M |
|---|---|------------------|-----|
| Wish to become an entrepreneur | <p><i>F: And finally, when I look back, I would say that this entrepreneurial context is really the area that today, well, where I could best develop my abilities. I would possibly have been an average lawyer because really, it didn't interest me all that much, and there are daily entrepreneurial tasks that I love because they are [so] varied. I couldn't have known that then.</i></p> <p><i>F: This business/entrepreneurial [thing] has always interested me. It is something I always wanted to do in any case.</i></p> <p><i>M: There was a phase when I dreamed about becoming an architect but no....you can't really separate [them] such that you say, no, my God, in my soul I am really a musician. And my family would never have allowed it. And it was also never the case that my family forced me to do something. So, because of that/it's more to say that no, I am an entrepreneurial type. I always wanted to do that; it was fun for me and it pleased my family that I did it, right? So there was never a time when they said, no, you can't do that.</i></p> | F1* F2* F4 | M3* |

More numerous than the facilitators from the individual system are the barriers reported to inhibit the succession process.

Five successors report having been drawn to interests unrelated to the activities of the family business. In those cases joining the family business can be felt as the abandonment of a vocational dream. The influence of this barrier is generally felt early on in the succession process.

| Barriers from the individual system | | F | M |
|-------------------------------------|---|-------------------------|-----|
| Drawn to other interests | <p><i>F: The family business never interested me at all. [That was] because I was a brand marketer; my major at university was marketing, management and accounting; I always wanted to go into brand manufacturing. I [just] didn't know if I wanted to go into marketing or sales and in the end, I went into sales.</i></p> <p><i>M: I am coming from a totally different direction. I studied something completely different. I studied sound engineering and made music. That was always my dream.</i></p> | F3* F5 F6* F8* | M5* |

In those cases in which the successor did not tailor his or her education to the needs of the family business, successors expressed doubts concerning their abilities to become the future leader. This was relevant for four cases in the current study. These doubts can have an important negative effect on the suc-

cession process. In one of the male cases it was considered a major factor inhibiting succession.

| Barriers from the individual system | | F | M |
|-------------------------------------|--|----|-----|
| Doubting own abilities | <i>F: I think that I couldn't imagine, also because as far as my background [is concerned] was more in the creative area or architecture. I couldn't imagine managing a business.</i> | F3 | M3 |
| | <i>M: Then [there is] the worry that if I manage the business, would I destroy it if I made a mistake? M: So, everyone always tells me I can do it and bla bla bla. Everyone also believes in me. That is great. But when you don't know yourself whether or not you trust yourself or if you want to do it.</i> | F5 | M5* |

Furthermore, three of the four successors included in the previous category were also found to exhibit the need to prove their worth in the family business. This is often the case in which the successor is expected to take over the family business from early on and he or she does not feel the right to obtain the position as family business leader.

| Barriers from the individual system | | F | M |
|-------------------------------------|---|----|-----------|
| Need to prove worth | <i>F: But I think you put yourself under pressure. Because you simply have this feeling [that] you aren't there as a result of your birth right, but you have to earn it.</i> | F5 | M3* M5 |
| | <i>M: For a long time I carried around all these inferiority complexes; my God, there are all these other people. Why should I be the successor? How can I be compared to [someone] who has management experience for 50 years when I have just graduated or with so little experience when I come into the company? I come in in the same way as an outsider who is hired [to do the job].</i> | | |

In four cases succession was reported to be highly conflictual and the successor felt that he or she was reaching their personal limit enduring the stress and strain the succession process was placing on the successor. If a successor does not manage to counteract such a process and would come down with burn-out syndrome, this could hinder the succession entirely and have strong negative effects for the successor personally.

| Barriers from the individual system | | F | M |
|-------------------------------------|--|-----------|-----------|
| Reaching personal limits | <i>F: You can't exhaust the potential you have. It's not a good feeling. Aside from the outside influences that push me to do something more and my own incentive to say, „I don't want to just stand here. I squander power; I squander potential. That's not who I am. I am someone who wants to get further. I want to always learn and to develop myself; and I have a lot of interests that I want to do something with. And that's how it always is. It is something that wells up in me; and that is so for everyone, I think; the psychological strain has to build up until it jump starts the process.</i> | F4 | M3 |
| | <i>M: I have worked hard and survived very, very difficult things, fought my way through and was at the end [...] then came the point when I said, shit, right? Then it was all about, now you have to save yourself.</i> | | M4 |
| | <i>M: One of the points is burn-out; you always need a power reserve or I would say a valuing, praise or something, like/but you need a confirmation of something. If you don't get that in your company because this culture of praise doesn't exist/you need/you need something else.</i> | | M5 |

Now that all factors from the different systems have been described, the elements of the successor profile are complete. In the following the successor profiles of all sixteen successors included in the current analysis will be reviewed before all of the results presented in this section will be discussed.

4.4 Individual successor profiles

The previous analysis has looked at the 16 cases and the underlying career decision steps in much detail. Table 20 also shows that the categories for each decision point were allocated a score between 0 and 4. Each decision point is understood as an ordinal scale representing the strength of the connection between the decision and the family business. They should not be understood as quantitative data to be manipulated. To complete this 6x5 matrix, two categories were added despite the fact that they could not be observed in the current sample (indicated with an *). Therefore Table 20 corresponds to the full matrix of categories per decision point, which can be inferred from the cases included in the current analysis and the logical completion of the resulting matrix.

| | Perception of Succession | Education Choice | Work Experience | Decision to join | Decision to become the S. |
|---|--------------------------|-------------------|-----------------|----------------------|---------------------------|
| 4 | Certain | In the FB | For the FB | No choice | No choice |
| 3 | Likely | Highly relevant | Highly relevant | My choice | My choice |
| 2 | An option | General Education | Relevant Exp. | Give it a try | Give it a try |
| 1 | Improbable | Irrelevant | Irrelevant | No decision yet | No decision yet |
| 0 | No option | No education* | No experience* | Decision not to join | Decision against it* |

Table 20: Categories for each decision point (*not found in the current analysis)

Table 21 offers an overview of the five decision points and the categories for each in the current sample.

| Scale | Perception of succession | | Education Choice | | Work Experience | | Decision to join | | Decision to become the S. | |
|-------|--------------------------|---|------------------|---|-----------------|---|------------------|---|---------------------------|---|
| | F | M | F | M | F | M | F | M | F | M |
| 4 | 2 | 2 | 0 | 1 | 2 | 3 | 1 | 2 | 2 | 1 |
| 3 | 0 | 1 | 2 | 4 | 1 | 2 | 1 | 5 | 3 | 5 |
| 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 0 |
| 1 | 2 | 1 | 3 | 1 | 3 | 1 | 2 | 0 | 1 | 2 |
| 0 | 1 | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |

Table 21: Frequency table for career decision

Allocating the detailed results reported above into these categories and translating them into numbers allows us to create visual representations of them. The form of line diagrams was chosen to do this. Commitment type is indicated underneath. In those cases in which the succession process has been completed, current commitment will not be indicated in the diagram as it would not correspond to the timeline indicated by the decision steps but must be allocated to the stage after the decision to succeed has been taken.

Figure 16 and Figure 17 show the results for the groups of female and male interview partners respectively. It can be readily observed that within each group there is considerable variation concerning all five career decision points and that little insight can be gained from a comparison of all interviews at once. No trends are readily observable in either of the two diagrams.

The data was further analysed for patterns according to other case characteristics such as business size, status of succession, age of the interview partners, generation, element of emergency, succession congruence (Barnes,

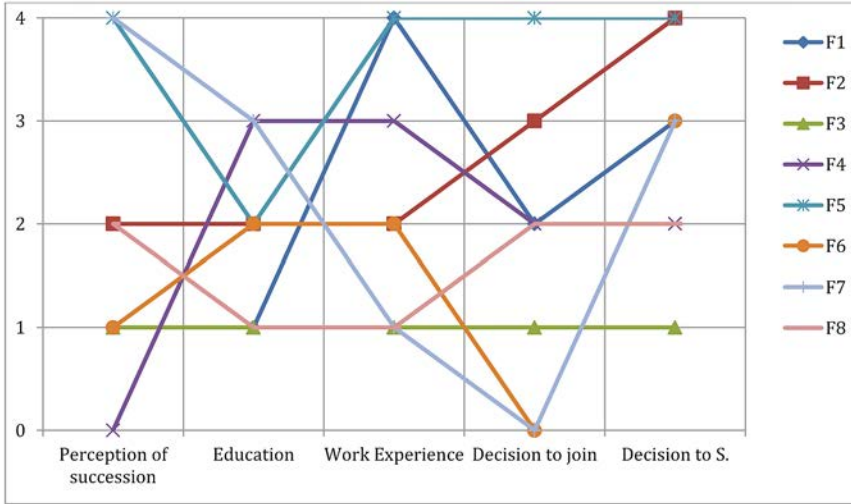


Figure 16: Successor profile analysis for female successors

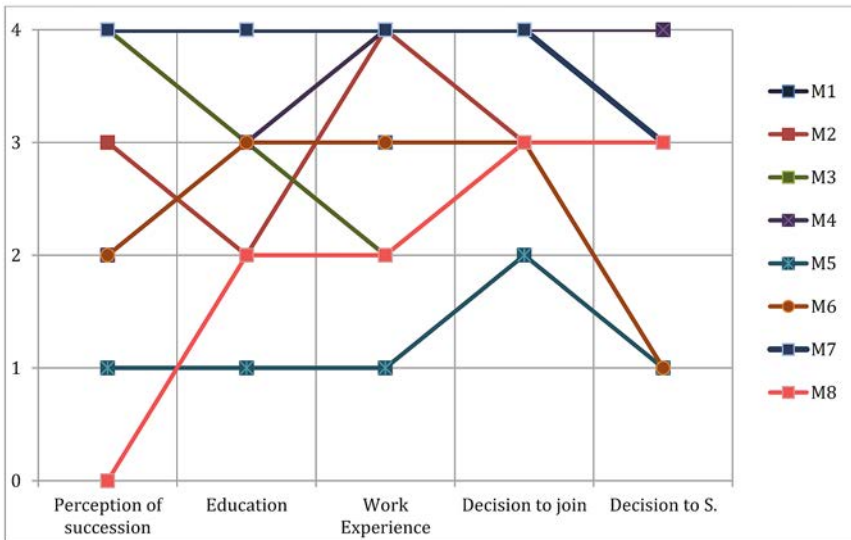


Figure 17: Successor profile analysis for male successors

1988) and managerial roles according to Kroegeer (1974). No discernible patterns could be observed.

In the following all three elements of the successor profile (decision steps,

commitment, factors) will be put together and each successor profile will be considered separately and interpreted in its entirety.

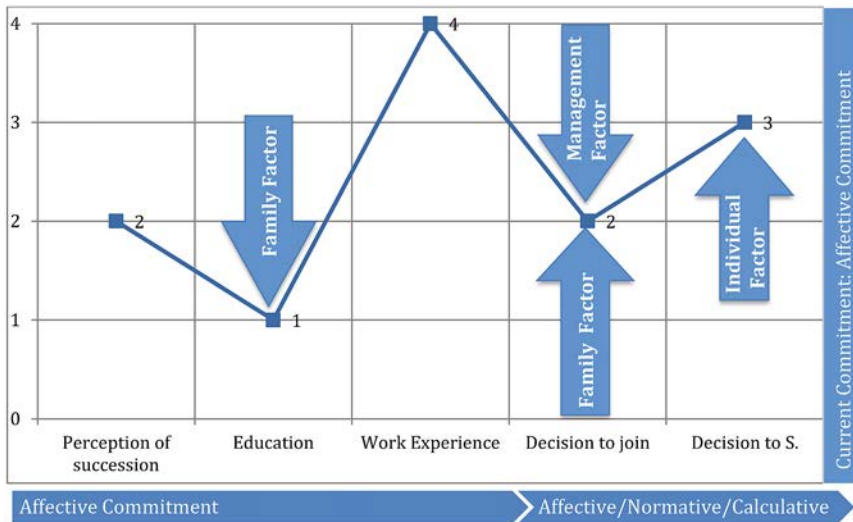


Figure 18: Successor profile for female successor F1

Interview partner F1 grew up close to the family business and in the knowledge that a future career within it would be a potential career option. Her connection to the family business at this point can be described as pure affective commitment. Her personal interests led her to choose law as her educational path, which can be considered to be irrelevant for her future career in the family business. Marriage and the birth of her children kept her from moving back to the location of the family business, making an active contribution impossible. After her divorce, however, she chose to return to her hometown in an effort to be able to combine work and child-care responsibilities while giving a future in the family business a chance. In order to prepare for the task in the family business, she spent half a year getting highly relevant work experience tailored to give her insights into the activities of her family business. Despite the fact that her establishment in the family business was hindered by conflicts with management and her father in particular she chose to become the successor to her family business. Ownership was transferred to her and her sister in equal shares following the death of their father. The interview partner is currently the owner-manager of the family business. She has grown the family business considerably during the nearly ten years she has been actively involved and regards the business as truly hers, evident in the purely affective commitment associated with identity alignment.

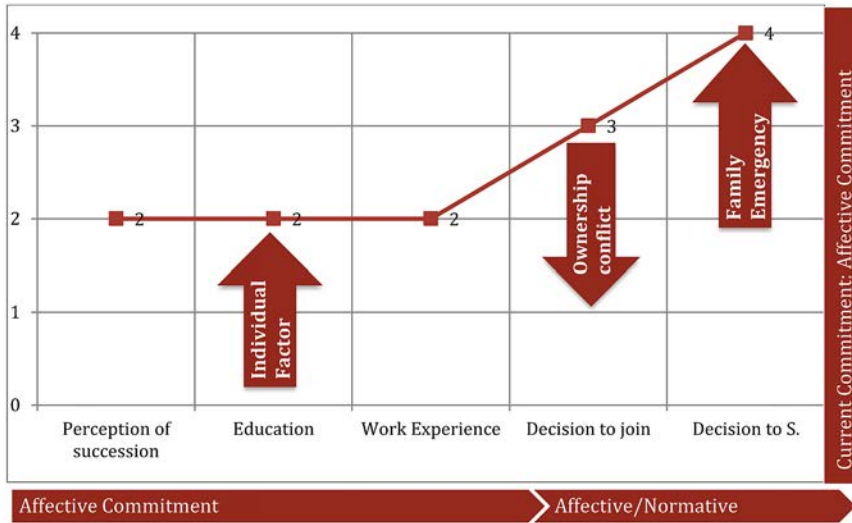


Figure 19: Successor profile for female successor F2

The succession process of interview partner F2 differs from the other interview cases insofar as the interview partner joined the family business, then decided to leave again due to irreconcilable differences with her parents concerning questions of ownership, only to return when she was needed in a family emergency. Growing up, interview partner F2 was aware that a future in the family business was an option. Her interest in management motivated her to choose an educational path in the management studies, which also indicated her intention to later move into the family business. Work experience was of relevance for the later activities as it entailed management functions. Once her successful career stalled, she decided to join the family business. Differences in opinion between her and her parents regarding management questions, as well as the transmission and distribution of ownership between her and her three younger sisters, led her to the conclusion that it would be better to leave than to risk a rift in the family. She came back to the family business, however, when the incumbent fell gravely ill and became unable to continue management of the family business, creating a strong normative commitment. Feeling the responsibility for the family business and her parents' financial future, she saw no way out but to return to the family business. In order to do so, she bought the company from her parents and currently holds 100 per cent of the shares; she is the only family member actively managing the family business.

The succession decision process of interview partner F3 is most strongly influenced by factors from the family system. Her interest and decision to follow a

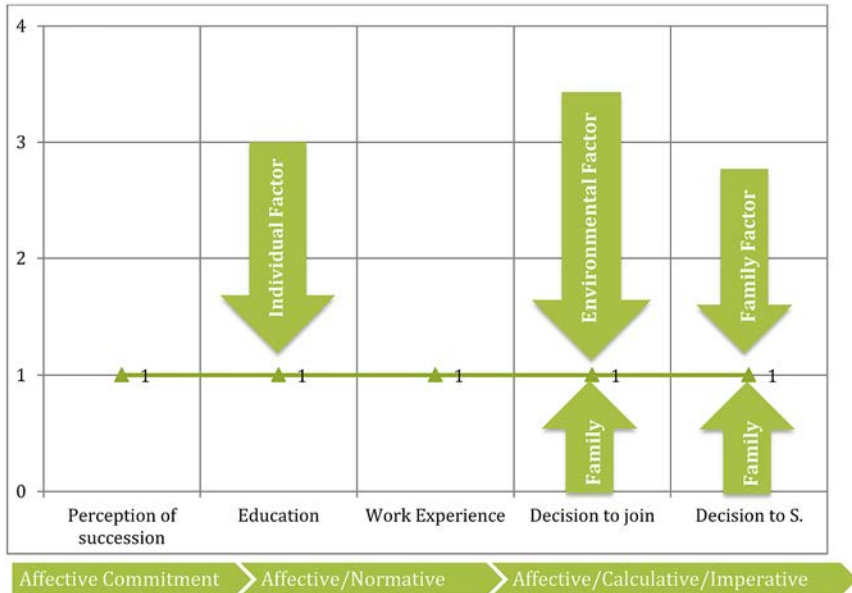


Figure 20: Successor profile for female successor F3

path and profession unconnected to the family business developed at an early stage. Despite her affective commitment for the family business, she chose her education and work experience accordingly. The decision to start working for the family business was not experienced as a clear cut decision, but rather described as drifting closer to it through project work initiated by her father. The positive relationship connecting her to her father and her sister clearly were facilitating factors in this process. Once active in the business, she felt responsibility for it, which is visible in the development of normative commitment.

The decision to remain within the family business as successor has not been taken yet, and there is no agreed upon succession plan in place yet. The succession decision is hindered by the fact that the interview partner's sister, who is also active in the family business, has not yet taken her decision. The interview partner cannot imagine taking over the business on her own, and therefore her decision is dependent on the decision of her younger sibling. Commitment has changed to a mixture of affective, imperative and calculative commitment. She enjoys her job (affective) and finds it hard to imagine working anywhere else after having been in the family business (imperative). The wish to start a family is an important factor in considering the family business as career destination in the near future (calculative).

The location of the family business is an inhibiting factor, which has kept the potential successors away from the family business. Case F3 is a case in which a

stalemate has been reached due to factors mainly from the family system, influencing the potential successor positively as well as negatively.

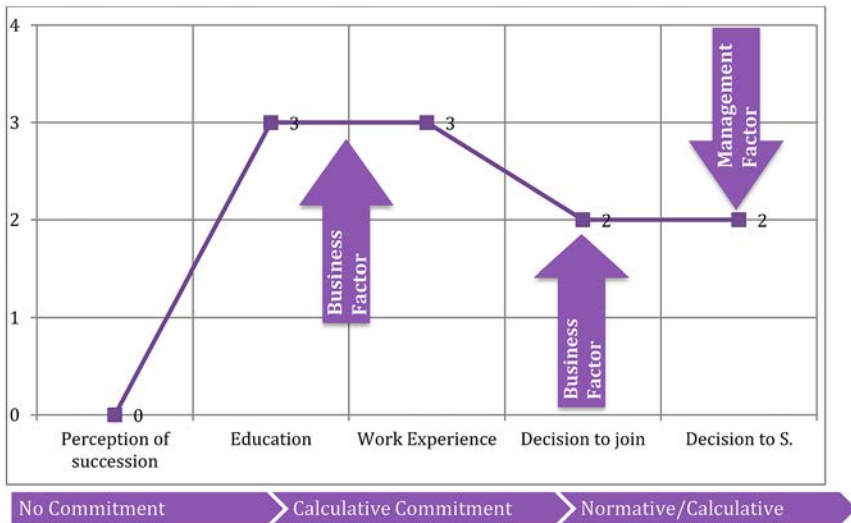


Figure 21: Successor profile for female successor F4

Interview partner F4 did not consider a future in the family business as an option during childhood. She only learned about the identity of her father and the presence of a family business in her late teens. Since there was no connection to the family business, commitment was assessed to be non-existent. The choice for an educational path in the same industry as the family business was chosen due to personal interests. Her highly relevant work experience inside and outside the family business was not due to any idea of a future career in the family business much less to the idea of succession. The decision to join the family business was motivated by family considerations related to her spouse and the wish to combine family and career, categorized as pure calculative commitment. She did not occupy a position at management level until she needed to move into headquarters due to her personal situation as single mother. Her position and future in the family business remained unclear until the incumbent was forced to consider devising a succession plan due to the demands of external financiers. Only then did ownership and management succession become an issue. A succession plan was devised, but is being hindered by the difficult personal relationship with the incumbent and his inability to let go of the family business (management factor). Ownership has not been transferred to the successor yet in part due to the precarious financial situation of the family business at the current point in time. The future of the family business, and the interview

partner within it, remain unclear because the initiated process of succession planning has not been followed by action from the incumbent. She feels the obligation to try to save the family business, but not at personal cost, summarized in a normative and calculative commitment. She is currently starting a second career in order to decrease financial dependence on the family business.

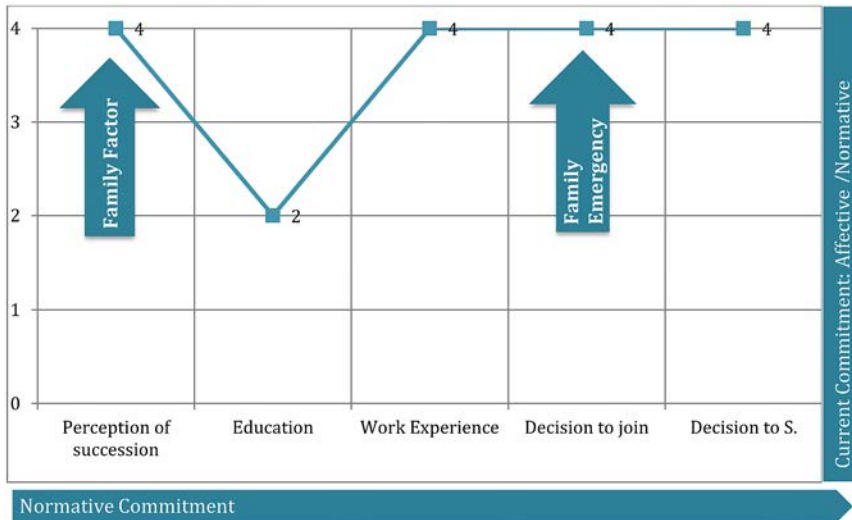


Figure 22: Successor profile for female successor F5

The succession decision career pathway of interview partner F5 is characterised by an extremely close connection to the family business. Her father founded the family business when she was already in her late teens. She was well aware of his expectations concerning her future in the family business (normative commitment); the same was not expected of her older sister, however. The education she chose was general in nature. Before she could get outside any work experience, her father fell ill (family emergency), and she felt she had no choice but to join the family business (normative commitment). Her establishment in the family business was unplanned, so she started working as a normal employee and only joined the top management team over ten years after joining. The need to combine work and child-care responsibilities was an important factor in delaying the succession process. The incumbent's inability to let go was another factor inhibiting the process. Ownership succession has been completed shares having been gifted in equal parts to her and her sister. Despite the fact that all perceivable signs seem to indicate that the succession process is completed, the interview partner does not consider this to be the case. Curiously, she nevertheless feels that the family business is not her father's but rather her business.

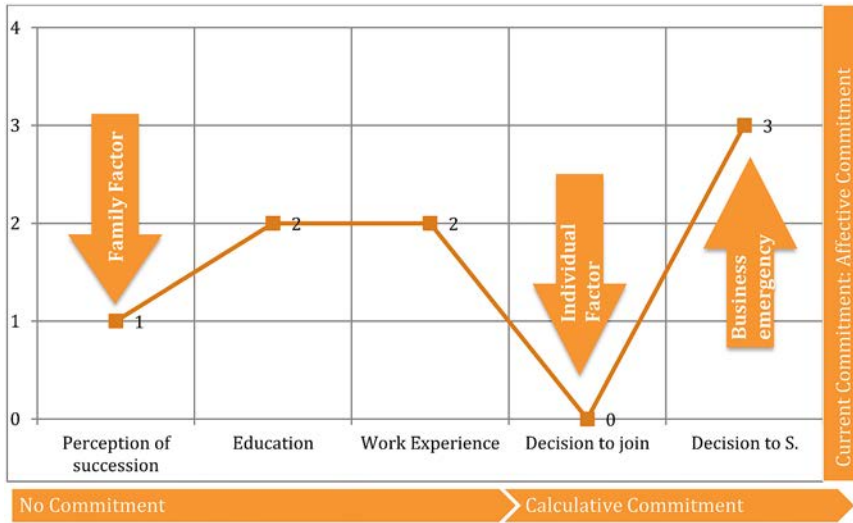


Figure 23: Successor profile for female successor F6

The succession pathway of interview partner F6 follows a pattern, which differs from the previously considered career pathways in that the interview partner at first decided against a future in the family business. Growing up, the interview partner had little interest in a future within the family business founded by her father. Additionally, her older sister declared her interest for this course of action, making it unavailable to the younger sibling. Education was general in nature. Work experience was gained in a number of companies chosen because of her interest in the industry, and all were completed very successfully. The interview partner had reached a top management level in her employment when her older sister, previously the chosen successor in the family business, left due to irreconcilable differences with her father and consequently leaving the family business without next generation management (business emergency). Faced with the need to sell the company due to a lack of management competence with the company, the father approached his successful younger daughter to come to the rescue of the family business. Her interest in the challenge and the wish to combine work and child-care responsibilities led her to accept the offer and obtain the majority share of the business. Establishment in the family business was hindered structures lacking within, an increasingly competitive structure in the industry, and a progressively conflicted relationship with the incumbent. The interview partner made many changes in the seven years in the family business, which she now considers to be entirely her business (affective commitment). Currently, the interview partner is the owning manager, but al-

ready considering the next steps in order to eventually let go of the family business.

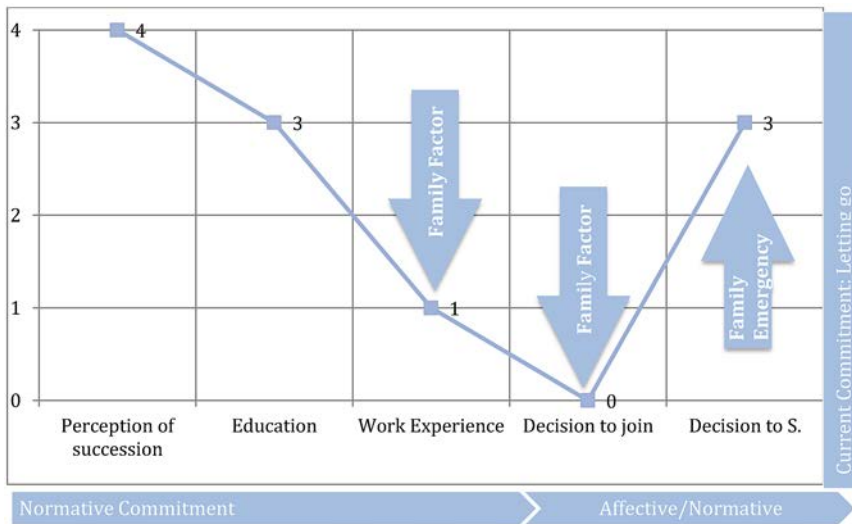


Figure 24: Successor profile for female successor F7

The career pathway that led interview partner F7 into the family business is similar to that of interview partner F6 insofar as the former also first decided against the family business. Despite the fact that her family had always expected her to take responsibility for the family and its business, she decided not to assume this responsibility, but rather to move to another part of Germany with her husband to found and run her own small business (family factor). Her educational choice was highly relevant for the family business due to the fact that her results in school were poor, and she was only able to get an apprenticeship position through her family's connections. She then moved away with her husband, thereby clearly deciding against a future in the family business, which was subsequently run by her nephew. The family approached her to take over the family business when they had no other alternative left. The interview partner at this time was over forty years old. Due to a feeling of responsibility towards the family and its business, which would have had to be sold had she decided against, it she accepted the challenge. The decision to become the successor was therefore a conscious choice. Establishment in the family business was characterised by initial struggles with previous management and missing structures that needed to be added to make the business viable again. Ownership and management succession were initiated simultaneously. In the more than twenty years since taking on the family business, the interview partner has made many changes and

has currently already handed over business management and ownership to her daughter. She has left management, but still retains a BOD position. Her current commitment has been allocated to the letting go category.

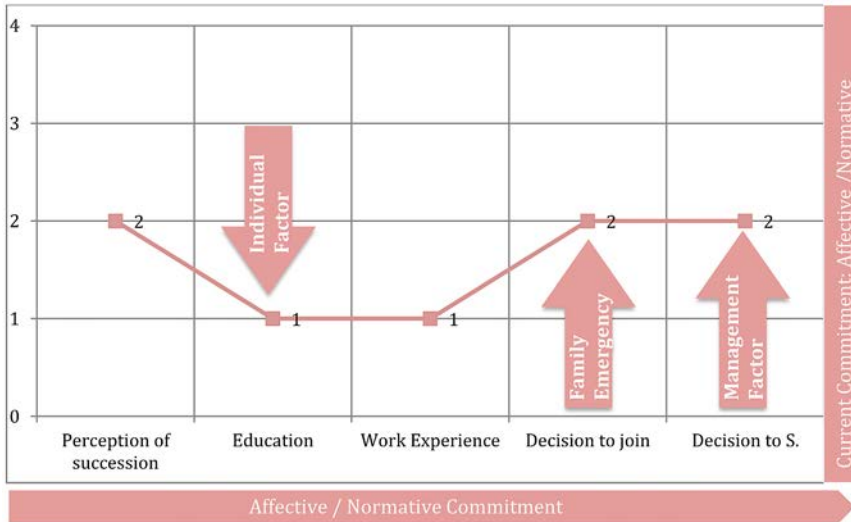


Figure 25: Successor profile for female successor F8

Like interview partners F6 and F7, interview partner F8 joined the family business at a more advanced age than the other five female interview partners. Growing up, she was very much aware of the family business run by her father with whom she had a very close relationship. Interview partner F8 stresses that she was aware that a future in the family business was an option for her. Based on personal interest, she chose an educational path with little or no relevance for the activities of the family business and a future job in it. Her work experience and resulting career were equally unconnected to the family business. Unlike F6 and F7, she never decided against a future in the family business, but rather was busy with her career as a professional athlete. After the death of the father, the interview partner and her mother were entering succession planning when the mother died unexpectedly (family emergency). Despite the fact that she had no prior experience in running a company, she chose to join the family business on a trial basis to determine whether there was a fit and a place for her. She was received and trained by the top management team despite the fact that she herself had doubts concerning her suitability. She decided to become the successor taking on not only a role as active shareholder but also as one as part of management. The need to assume control over the company in a situation where a part of it needed to be bought back from a co-investor a mere six months after

her entrance made a quick establishment and takeover of responsibility necessary. Her older brother is also active in management, but let his sister take the lead. The interview partner had been in the family business for nearly twenty years when the interview took place. Her current commitment to the family business is a mixture of affective and normative commitment. While steps towards the generational transition within the family are being made, interview partner F8 still remains in control of the family business.

Looking at the male interview partners and their career developments in detail offers further insights.

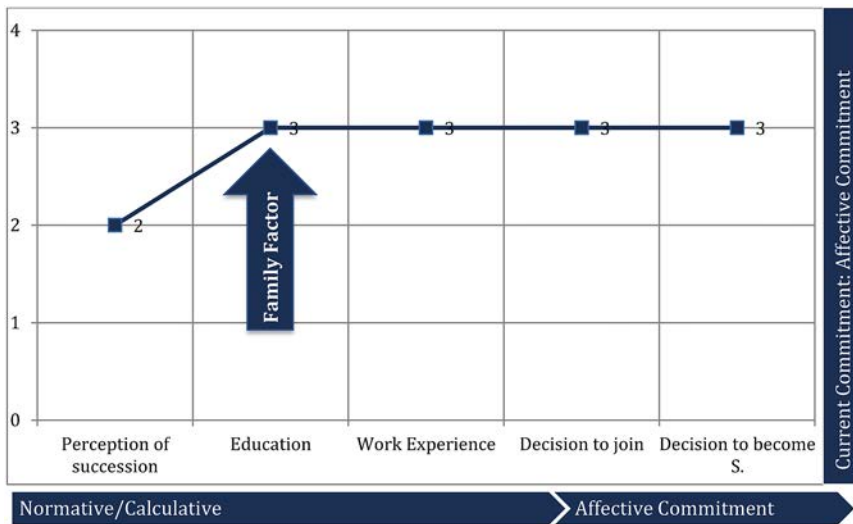


Figure 26: Successor profile for male successor M1

The experience of interview partner M1 is influenced most strongly by the fact that he sought clarification concerning a future in the family business early in the career development process. Due to parental expectations for the interview partner and his older brother, normative commitment was produced in the potential successor. His conviction that the family business was too small to be able to support both brothers financially in the future moved him to demand a decision from his older brother before selecting his own educational path. His decision was allocated to calculative commitment as he sought to avoid among others financial opportunity costs in the future. Once his brother had declared his decision against succession in the family business, the interview partner selected his education and work experience accordingly, with high relevance for the activities of the family business. The older brother's decision is deemed one of the most important factors in this succession scenario. The decision of in-

terview partner M1, taken unusually early, and the decision to join and to succeed were taken at the same time. The timing of the decision to join was further influenced by circumstances of the outside working environment. The succession process followed a clearly predetermined structure dictated by the successor himself. The presence of the incumbent and his influence on the succession process are noteworthy by their absence from the account of the successor. The connection between the interview partner and the family business was characterised by career interest alignment visible in pure affective commitment during the joining stage and at the point in time when the interview took place.



Figure 27: Successor profile for male successor M2

In the case of interview partner M2, the perception of the family business as a career aim was influenced by the older brother's decision against a future in the family business. Once this decision was taken, the question of ownership transfer to the next generation meant that the interview partner had to declare his interest for or against the family business at a very early stage in his career development. His interest in the family business and a future within was affective from very early on and not described as based on a feeling of obligation. The early transfer of ownership demanded a mature decision concerning his future at an age when career choices are rarely made and of much consequence for the future. His educational choice was general in nature and chosen because of personal interest rather than parental expectations. The work experience was chosen as preparation for the family business. The decision to join the family

business was taken while the interview partner was still at university. The actual move into the family business was not experienced as a decision but rather a natural development of events once the decision to become the successor was made. It should be mentioned that the decision to become the successor could only be realized if the external BOD and the shareholders supported his selection; therefore, it would not be his choice, but he could decide to give it a try – which he did. Establishment in the family business, while overshadowed by the latest financial crisis was greatly facilitated by the positive relationship between the interview partner and his father, who appears to have prepared the succession process carefully and was able to hand over the reins of the business without hesitation. The current commitment is characterised by an obligation towards the family legacy and the wish to serve the company and hand it over to the next generation eventually apparent in pure current normative commitment.

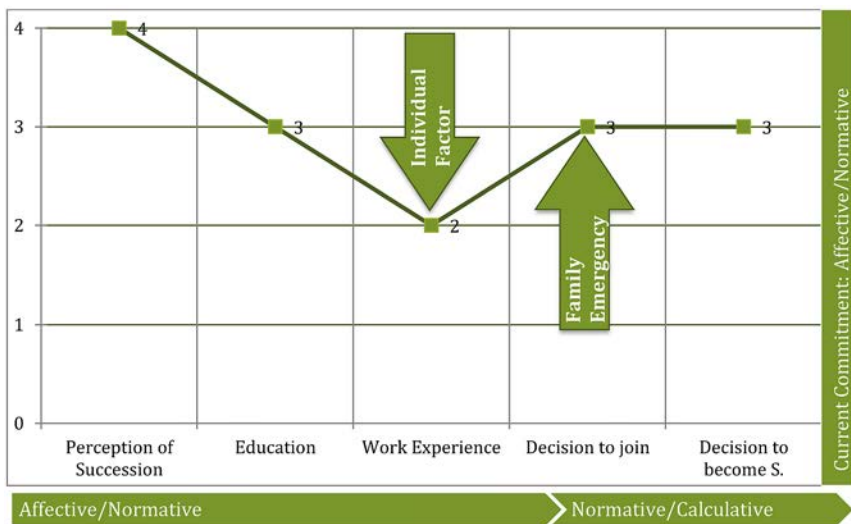


Figure 28: Successor profile for male successor M3

The succession career decision pathway of interview partner M3 is most strongly influenced by the personal resolve of the interview partner to determine his own career path. Despite the normative pressure produced by explicit parental expectations, the interview partner chose education and work experience according to his personal interests. The move into the family business was strongly supported by the incumbent. The timing was determined by the successor alone, as he turned down the opportunity to join the family business a number of times in order to gain more experience. His father's worsening illness and his loss of control of the company to the BOD and man-

agement finally motivated the interview partner to move into the family business. This was clearly his choice despite the fact that he always knew he would one day be the chosen successor. Once the decision to join was taken, it was clear that it was done with the intention of taking over management of the entire family business in the immediate future. Despite the fact that the interview partner was barely forty at the time the interview took place, he is already initiating the letting go phase of the succession. He has left active management and moved into the role of active shareholder. His commitment to the family business remains a mixture of affective and normative commitment.

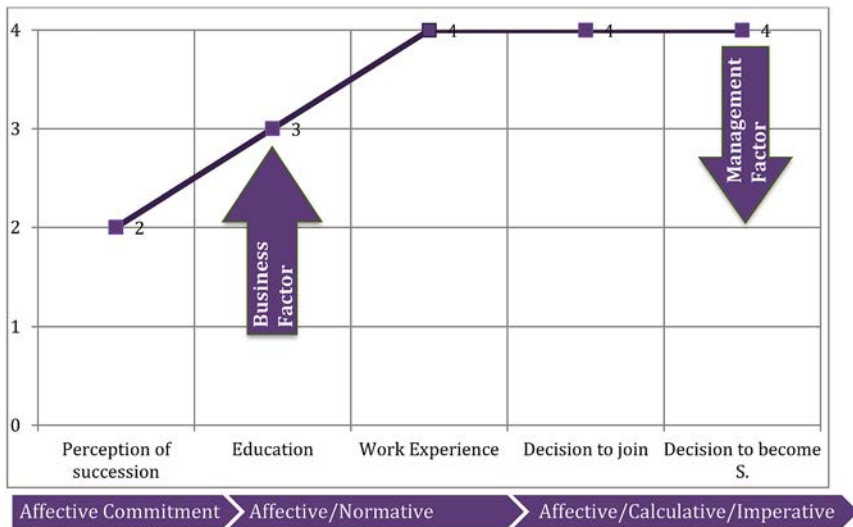


Figure 29: Successor profile for male successor M4

Interview partner M4 had little contact with his father and the family business he founded while growing up due to the divorce of his parents. A future in the family business was nonetheless communicated and perceived as an option during childhood. A personal interest in the area of expertise of the family business (individual factor) moved the interview partner to choose an education of high relevance for the family business. Due to the fact that education was supported financially by the family business, the decision to join was predetermined at an early stage in career development. The timing of said entrance was not determined by the interview partner himself, who would have preferred to gain some outside international experience first, but by his father. Parental expectations concerning the son's future in the family business were felt acutely. Not joining would have been perceived as a rejection of the incumbent's legacy (normative commitment). He feared such a course of action would cause a rift

between father and son. Once in the business, the interview partner developed career interest alignment (affective commitment). The establishment in the family business did not follow a planned career path, and despite the fact that he has been working in the family business for over 15 years, owns shares, and is part of top management, he is currently still trying to establish himself as leader. He remains unsure of the final outcome. Succession is hindered by a highly conflicted relationship between the incumbent and his successor, the former's inability to let go of the family business, as well as missing management structures in the family business (management factor). The successor's current commitment to the family business is in part affective in part calculative as he sees the need to take care of the family fortune as well as imperative since he sees few alternatives to his current course of action as there is no one in the top management team to take over from him.

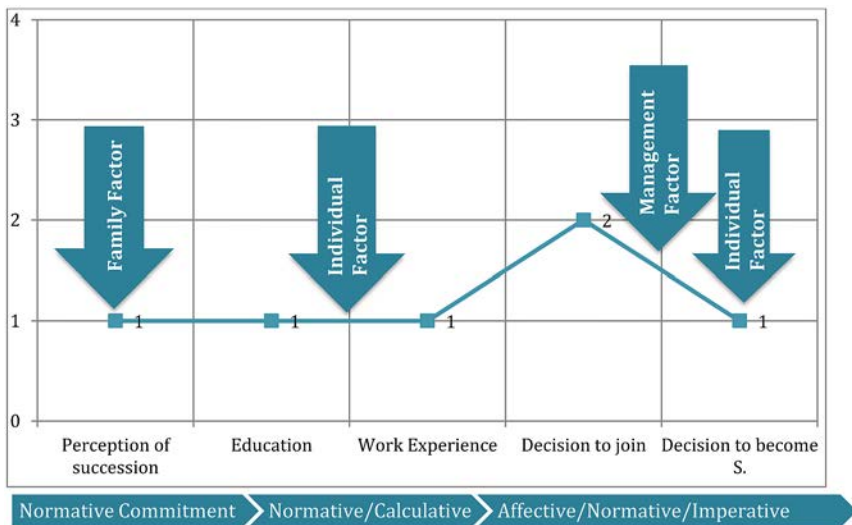


Figure 30: Successor profile for male successor M5

The career decision pathway of interview partner M5 is most strongly influenced by the difficult relationship between the successor and his father. The interview partner was always aware of his father's expectation for him take over the family business, apparent in early normative commitment. He expresses a strong dislike for the family business at this stage due to the fact that he felt that the family business was creating a rift between him and his father. Despite expectations, a future in the family business was unimaginable for the interview partner. Therefore, he also chose an education and work experience irrelevant for a future role in the family business. The decision to join was not judged as a

real decision, but rather as being drawn into the family business by his father. The decision to join is not equal to the decision to take over the family business in this case. He joined the family business motivated by financial gains and the wish to establish a better relationship with his father (affective/calculative joining commitment). Establishment in the family business was hindered by a lack of planning, no clear function within the business, and therefore a lack of power. The decision to take over the family business has not been taken yet despite the fact that ownership succession has begun and the interview partner is the designated heir to 100 per cent of the business. The interview partner expresses that he is torn between a feeling of doubt in his own abilities to take on the challenge of becoming the next leader of the family business and a feeling of obligation towards his father.

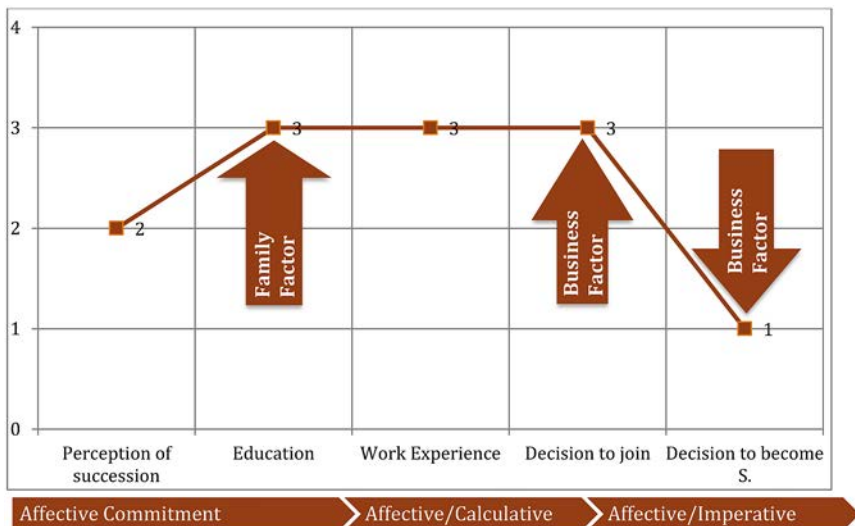


Figure 31: Successor profile for male successor M6

The case of interview partner M6 is most heavily influenced by the succession rules stipulated for the family business. It means that the only decision the interview partner was able to take is that of joining the family business, but not becoming the successor. Motivated by affective commitment, he chose an educational path adhering closely to the family business guidelines, and therefore understood as highly relevant. His work experience outside the family business was brief but highly relevant. The interest in the family business activities and the wish to combine work and child-care responsibilities motivated him to actively search for an opening in the family business where he has been following an unchartered but successful career path ever since. Becoming his father's

successor and leader of the family business remains a possibility, but there is no decision he can take to accelerate the process. The only course of action he can follow is to continue working in the family business and try to move up the career ladder. Leaving the family business again at this stage is considered difficult creating a lock-in situation. Additionally, it offers him an interesting work environment apparent in a mixture of imperative and affective current commitment.

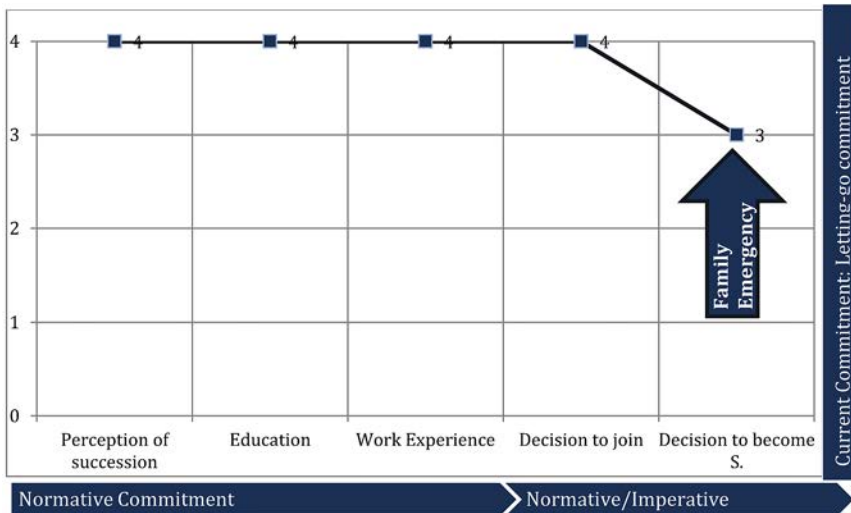


Figure 32: Successor profile for male successor M7

Interview partner M7 grew up in the knowledge of being the son of the family, and therefore expected one day to take over the family business. Early commitment, as well as succession commitment, was dominated by parental expectations, which is deemed one of the most important factors in this succession case. He always felt that he was the chosen successor, and therefore gained his education and work experience within the family business. What is striking about this case is that despite the fact that he was the designated successor he describes the decision to become the successor as his choice. Due to the unexpected death of the incumbent (family emergency), the succession process was still unplanned and getting experience outside the family business became impossible. The current commitment to the family business is already heavily influenced by his wish to hand over to the next generation. He has already made the transition from active owner-manager to member of the BOD in order to prepare the business for the transition. The most important factor influencing

this successor pathway is the early death of the father that called on the successor to pick up the reins of the business before any succession plan could be devised.

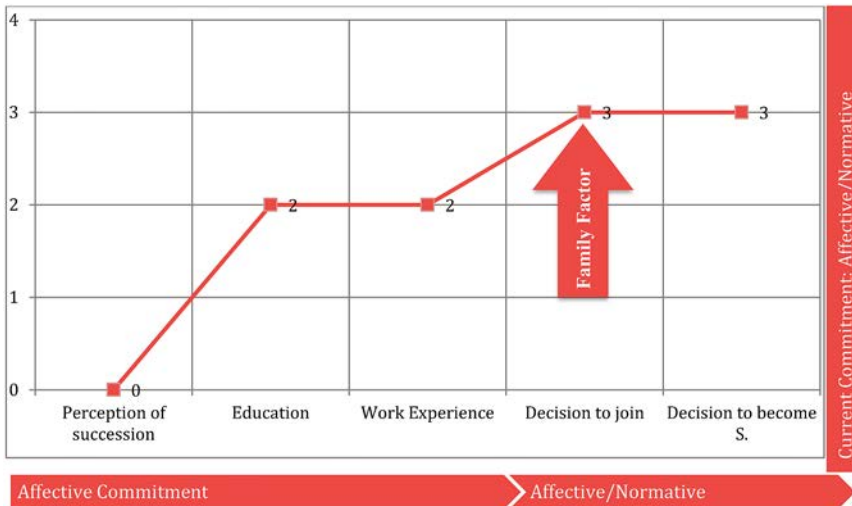


Figure 33: Successor profile for male successor M8

Finally, interview partner M8 shows a high level of variance in his career path. He did not expect succession to be a career option since the family business was not run by one of his parents, but rather by his uncle. Nevertheless, he felt a connection to the family and its business that was visible in the affective commitment he displayed during childhood. His educational choice was unrelated to the activities of the family business and general in nature. He started a successful career in management independent of the family business. When he was asked to join, he absolved work experience tailored to the task expected of him in the family business. Therefore, the change from not seeing himself as successor to becoming the successor was triggered by factors originating from within the family system. The decision to join the family business was experienced as a clear personal choice. The commitment underlying this decision can be described as affective/normative since despite the fact that he also felt an obligation towards the family, his main motivation was the challenge and the opportunity offered by a career in the family business. Management and ownership succession took place in a planned manner in close cooperation with his uncle. The relationship between the incumbent and his successor was characterised by trust and cooperation between equal partners. The interview partner is slowly preparing the next generational transition. He is still active as owner manager, but is currently

preparing the process through family governance activities. The current commitment was perceived to be affective and normative in nature.

The previous analysis shows how different the 16 career paths of the interview partners in the current analysis really are. Few patterns could be observed. The matrix can serve to draw career decision paths and analyse them for volatility. The theoretical and practical implications of these results will be discussed in the final discussion section.

5 Discussion

The number of results reported in the previous section is large. Since most of this study is exploratory in nature, comparisons with previous findings are somewhat limited. Nevertheless, where applicable, they will be pointed out. As a reminder, the main research questions of the current study, as stated in the introductory section of this work, are:

1. How does a “child” of a business-owning family take the decision to become the successor to the family business?
2. How is this decision experienced and what does it mean for the career development of these individuals?
3. Does the experience differ for male and female successors, and if so, how can the difference be described?

The current study sought an answer to the above-stated research questions by taking a career developmental look at family business succession. The successor profiling tool developed by this study provides a systematic way to describe and analyse the career decision taken by family business successors. This in turn allows comparability and clustering of the succession experience of different successors. In contrast to successor types that often result from qualitative in-depth studies of succession, the tool proposed by the current study allows the comparison of succession cases across studies. The successor profile taking the perspective of the successor and including the decision process, successor commitment, and major influencing factors offers a novel perspective. It can be used by researchers and consultants to assess the successor profile of cases as well as by successors to analyse their individual cases. Therefore, one of the most important contributions of this tool is a practical one in that it can help successors analyse their own succession experience and become aware of the most important aspects to be considered.

The current chapter will first discuss the insights to be gained from the reflection of the results pertaining to successor commitment before the results

relating to the succession decision step model will be pondered. Finally, insights about influences on the succession decision process will be discussed.

The complete successor profiles to be found in the final results section illustrate how useful the successor profile developed by the current study can be in providing a comprehensive summary as well as a visual representation of succession cases. Considering all three elements of the profile together, the succession decision, successor commitment and the factors influencing the succession process provides a structured and comprehensive summary of the successor's experience. Practical implications as well as suggestions for further research will be deliberated at the end of the discussion chapter. In the following, all three elements of the successor profile and the results provided for each of them in the previous section will be discussed.

5.1 Successor commitment

The results show that all four successor commitment types were observed in the sample of the current study and also for both genders. This supports the general applicability of the four successor commitment types as defined by Sharma and Irving (2005).

The results for each commitment phase and then for each commitment type will now be discussed in detail before a more general discussion about the implications of these findings for commitment research is considered. Insights gained from the analysis of EPE will be reflected in connection with normative commitment.

5.1.1 The commitment stages

Stage 1: Early commitment

Concerning early commitment, a number of interesting insights could be gained from the current analysis. Firstly, no cases of early imperative commitment were observed. Upon reflection, this observation is not surprising as this commitment type is "need based" and this would be rather unusual at an early stage in the successor's development when no definite career decisions have yet been taken.

Secondly, only one case included in the current sample exhibited calculative early commitment. It appears that the calculation of financial, social or personal opportunity costs does not play an important role early on in the successor's life. Since successor commitment was derived from employee commitment (Sharma

& Irving, 2005 based on Meyer & Herscovitch, 2001), it might be ill suited to assess and describe this early stage in the successor's development when the link between the successor and the family business occurs less on a professional and more on a family level. Alternatively, it might be necessary to add antecedents related to early stages in life. Furthermore, the analysis revealed that there were two cases that could not be allocated to any commitment type at this early stage of successor development. This observation is interesting insofar as it shows that successor commitment does not have to be present from early childhood for succession to occur.

Following logically from the above statements, the early commitment for the remaining 13 cases was evaluated as either affective or normative commitment or a mixture of the two. A previous study of female successor commitment observed that cases in which female successors displayed normative commitment were cases in which the successor was the only or the oldest child (Ottens-Pappas, 2013). Only one of the female successors displaying early normative commitment was indeed an only child. The other two female successors were younger siblings. All three male successors exhibiting purely normative early commitment were the older of two siblings. The assertion that normative commitment is found in older siblings as well as only children exclusively cannot be maintained for female successors. In this it contradicts earlier findings. It can still be maintained for male succession based on the cases included in the current study. One of the interview partners expressed a mixture of normative commitment and a feeling of hatred for the family business in the early stages of his life. This finding will be looked at in more detail at the end of the current discussion section.

Stage 2: Joining commitment

The next commitment stage to be assessed was named joining commitment. It was chosen to describe the successor commitment related to the decision to join the family business. In this stage of the succession process, commitment types become more mixed as the basis for the connection to the family business becomes more complex. If a mixture of all commitment types had been observed by the raters, a total of 64 data points would have been recorded. Out of these possible 64 data points, 28 were activated. A few rare cases of pure commitment were observed in this stage of the succession process. All others displayed a mixture of two or even three commitment types.

In a number of cases the successors needed to join the family business due to an emergency situation. This was expected to be accompanied by a shift towards normative commitment. This was indeed found in a few cases; however, it appears that successors most often join the family business in an emergency

situation when normative commitment was already exhibited before the emergency occurred.

Furthermore, it is interesting to note that for some of the interview partners, the move into the family business was seen as a career move rather than a conscious choice for succession. This was evident in the prevalence of calculative commitment. The decision to join the family business might therefore have been one of the choices open to the successor to further his or her career development while at the same time minimizing opportunity costs. This indicated that the explicit decision for succession in the family business can sometimes be only one possible decision in the overall career decision making of a given successor.

Stage 3: Current commitment

The last commitment stage assessed in the current study is referred to as current commitment. It describes the commitment types associated with the successor at the point in time the interview took place. Of the 64⁷ possible data points, 28 were activated for current commitment. Again, this indicated that the commitment types are often mixed rather than pure commitment types. Twelve out of the 16 interview partners were found to display affective current commitment. Cases in which the succession process had not been completed by the time the interview took place were the only ones displaying either calculative or imperative commitment. One explanation for this finding could be that both these commitment types tend to disappear once the succession process has been completed and are replaced by affective and/or normative commitment. Another explanation could be that successors who display this type of commitment tend to leave the family business and were therefore not included in the sample of the current study.

Interestingly, two interview partners could not be allocated to either of the four commitment types. These cases were found to be already preparing for, or completing, the generational transition to the next generation. Deliberations concerning this finding can be found in the subsection of this chapter dealing with “letting go” commitment.

7 If all four commitment types would have been found to coexist in all 16 successors, the total of data points would have been equal to 64.

5.1.2 Commitment types

Type 1: Affective commitment

Previous work observed a general shift towards affective commitment in female successors (Otten-Pappas, 2013). Such a trend was not clearly observable in the current study. It was found, however, that those who displayed affective commitment at an early stage generally maintained it throughout the remaining two phases assessed. There are only two male exceptions in which affective commitment was found to disappear: one in which normative commitment has replaced affective commitment and one in which succession process had not yet been completed despite the fact that the successor had been working in the family business for over 20 years. The assumption that affective commitment tends to develop automatically over time needs to be investigated further in studies using larger samples. Ideally such a study would also develop and use a scale able to assess the relative strength of co-occurring commitment types.

Type 2: Normative commitment

Normative commitment was found in all but one of the cases included in the current analysis. This indicates that normative commitment does indeed play a central role in the succession process. The link between normative commitment and perceived parental expectations (EPE) was shown to be an interesting one. The way parents express their expectations, explicitly and implicitly, plays a crucial part in the development of normative commitment. The development of early commitment is not under the control of the successor in the way the rest of the succession decision process is. Especially when normative commitment develops, it can be important for the successor to become aware of the expectations he perceives and how these influence his or her behaviour. This is true for early normative as well as later normative commitment as responding to expectations without reflection can make the successor passive and reactive concerning choices about his own future rather than proactive concerning his or her career. The assessment technique used in the current study to assess EPE was intuitive not systematic. Furthermore, it should be considered that the parents might only be one stakeholder within a whole complex web of stakeholders placing the potential successor under obligation. One technique that could be employed to gain a much more detailed picture is the so called “carousel of tasks or assignments⁸” developed to become aware of the expectations one feels are placed on oneself by others in a particular context (Schlippe, 2006). Especially in

8 in the German original it is called “Auftragskarussell”

those succession cases in which normative commitment is predominant, it might be a very useful tool to create awareness and differentiate among the different obligations the successor feels are placed upon him or her.

Type 3: Calculative commitment

Calculative commitment was observed in eight cases. Only one of these calculative commitments was found in pure form. In all others it was mixed with affective and/or normative commitment. Otten-Pappas (2013) suggested including the avoidance of personal opportunity costs for female successors. This type of calculative commitment was observed in the current study not only for female but also for one male successor. This gives further support for the inclusion of personal costs in the antecedents of calculative commitment. Calculative commitment was found to play a particularly important role in joining commitment. It was only found to play a role in current commitment in those cases in which the succession process had not been completed by the time the interview took place. In all other cases it tends to disappear. One explanation for this finding might be that deliberations concerning opportunity costs are important when the successor joins the family business but become less important once the succession process has been completed.

Type 4: Imperative commitment

Imperative commitment appears to be the rarest among the four commitment types. The current study was able to shed some light on this most elusive of commitment types. Imperative commitment, previously not observed for female successors (Otten-Pappas, 2013), was found in one case in the current study. It was also found in the case of three male successors for all of which the succession process had not been completed by the time the interview took place. Like calculative commitment imperative commitment was found to disappear once the succession process was concluded.

Interestingly, the current study suggests that it might be warranted to add an additional antecedent into the model. It was found that a lack of management alternatives for the family business, i. e. the successor cannot leave because there were no perceivable alternative contenders for the leadership position, also placed the successor in a situation in which he or she feels unable to leave the family business. Similarly to a lack of alternatives on the job market, which is already included in the model, this can create a lock-in situation for the successor. In combination with normative commitment such a constellation in which the successor feels an obligation to the business and sees no alternative for

the leadership position of the business was found to make it impossible for the successor to leave his position in the family business once he or she joined.

Such a situation might be created intentionally in family businesses in which the incumbent is unable to let go of management of the family business but at the same time wants to keep his children close in order to maintain control over them, as suggested by Kaye (1996). This observation gives rise to the question of how successor commitment can develop into incumbent commitment in which the erstwhile successor detaches from the family business in order to be able to hand it over to the next generation.

5.1.3 Unexpected findings related to commitment

Letting go commitment

It was pointed out previously that for a couple of cases no current commitment could be determined. In these cases the interview partner had not only completed his or her own succession process, but was currently preparing or finalizing the next generational transition. It stands to reason that when the next succession is taking place, the incumbent ideally needs to detach from the family business. It has been proposed that incumbents display an array of motives concerning succession planning (Gilding et al., 2013). Adding incumbent commitment to the discussion might help to elucidate why an incumbent might choose not to behave in a manner that ensures business continuity and/or family harmony but rather cling to power because of personal motives.

Strong affective commitment with total identity alignment in an incumbent might hinder the succession process be what stands in the way of many successions. Kaye (1996) concluded that over-identification by the incumbent with the family business can seriously hamper the succession process. The current study cannot offer any findings or tendencies concerning this issue but suggests that it might be an interesting area for future studies.

Furthermore, it was found that as the individual previously called the successor starts to prepare his or her own succession normative commitment begins to play an important role. As the decline or disengagement stage of career development starts, the connection to the family business might have to change. Becoming aware of the obligation towards the family and the family legacy in the form of normative commitment might be an important preparatory step in “letting go” of the family business, the task so often reported as difficult to do for family business incumbents. It stands to reason that the target of commitment needs to change from the family business to the perpetuation of said business for the incumbent to be able to successfully disengage from it. It might be interesting

to investigate how the commitment to “let go” develops in the current incumbent and the different forms this “incumbent commitment to let go” could possibly take. Undertaking such research might shed light on an important barrier to succession previously identified by family business research about which little is actually known.

It could be argued that strictly speaking the phase in which a previous successor has become the incumbent already planning the next generational transition is not part of the succession process. It surely is not part of the succession decision process and was therefore not part of the main focus of the current study. Since it is part of the career developmental process, the *disengagement stage* can be included when career development and its stages are considered. Generally, this last phase is associated with declining interest and energy in the erstwhile occupation (Savickas, 2002). Evidence concerning incumbents’ inability to let go often commented on in the family business succession literature, appears to indicate that some family business managers might experience the *disengagement stage* differently than other professionals. It might be hypothesized that the family business is a more integral part of the family business owner’s identity than the occupation and the workplace are for many other people at the end of their working lives. Identification with the family business and its importance for the identity of the family business member could be a fruitful avenue of inquiry to explore this apparent “anomaly” in the career developmental process of family business owners.

The dark side of commitment

One observation concerning early commitment was deemed to have potential theoretical implications and will therefore be looked at in more detail now. One of the interview partners displaying pure early normative commitment reported not only feeling an obligation to the father and the business early on in life but also a feeling of hatred for the family business. This hatred was fuelled by the impression that the family business was “stealing” the father from his son. The feeling of hatred for the family business paired with a love for the parent has been called “emotional messiness” (Brundin & Sharma, 2011).

The realization that negative emotions can also play an important role in succession leads to an intriguing theoretical question. Can commitment be negative? And if so, what do negative commitment types look like? Extrapolating from the knowledge of the different commitment types, it was attempted to creation of a negative mirror image of the four commitment types defined by the literature was attempted.

Table 22 below proposes a possibility of how the dark side of commitment – with reference the different commitment types – might be formulated.

| | Affective | Normative | Calculative | Imperative |
|-------------------------------|---|---|--|---|
| Positive Successor Commitment | I want to... join the FB because it is part of who I am. | I ought to... join the family business as it is expected of me. | I need to... join the family business in order to avoid opportunity costs. | I have to... join the family business as I have no other job alternative. |
| Negative Successor Commitment | I do not want to ... join the FB because I cannot stand it. | I ought not ... join the FB as successor since I am not wanted. | I cannot... join the FB because it would cause opportunity costs. | I cannot ... join the FB as it is there is no job. |

Table 22: The dark side of commitment. Source: the author

It might be argued that the concept of commitment would be overstretched to accommodate this extension of the existing concept. The author of the current study maintains, however, that according to the definition of commitment as “a force that binds an individual to a course of action” it is flexible enough to encompass the negative aspect if it can indeed be found to be of relevance for successor commitment.

The evidence in the current study stemming from one individual case did not allow to investigate the issue further. However, it may have intriguing implications for future research. It stands to reason that successors becoming actively involved in the family business would only rarely display a negative connection to the family business. Such feelings might be more common among potential successors who decided against a future in the family business. Interestingly, the case in which these negative emotions were reported is one of the cases in which the succession process has not been completed yet because the successor is not sure whether he can see himself leading the family business into the future. One fruitful avenue for future studies could focus on successors who have taken the decision against a career in the family business and explore the concept of successor commitment further. It would be interesting to explore whether there is such a thing as “negative commitment”. Possibly the commitment types can be maintained but turned into the negative spectrum. Such a study could explore *the dark side* of commitment.

5.2 The succession decision process

In order to answer the first research question asking how successors take the decision to follow a career in their family business, the succession decision was subdivided into five consecutive decision steps based on theoretical knowledge. Based on the interview data a decision scale was derived for each of the decision steps. The current discussion section will first critically discuss the applicability

of the steps identified and the scale developed before patterns and frequencies found will be evaluated.

5.2.1 The decision steps

The decision steps were designed based on career development theory. Each of them will now be considered in turn. As a reminder, the first decision step captures the personal perception, the second and third capture decisions relate to education and work experience, and the fourth and fifth steps represent the decision to join and become the successor in the family business, respectively.

The first step in the succession decision process was designed to correspond roughly to the *growth stage* as defined by career development theory. It is the starting point in the career development of the successor insofar as it assesses whether the successor perceives succession as future career alternative. It is also the decision point over which the successor has the least control as in this stage the family plays a crucial role in shaping possible choices for the future career of the individual. It appears to have captured an important aspect of the succession decision process and the scale developed seems appropriate to capture the variability observable. The scale spans from succession as a certainty to succession as not an option, all of which were exhibited by one or more successors. Since all 16 interview partners did in the end become the successor, this observation indicates that the first step in the succession decision journey can be very different for different individuals in diverse settings.

Education and work experience, the second and third stages in the succession decision mode, were designed to capture the *exploration stage* of career development theory. The task to be completed in this *developmental stage* is the establishment of fit between the occupational requirements and the aptitude of the successor. The educational paths selected by the interview partners included in the current study were highly varied spanning from highly relevant to irrelevant, indicating that even the selection of an irrelevant education can eventually lead to succession. Cases in which the successor had no education were not found in the current sample. This might be due to the fact that an individual without formal education is only very rarely found in the position of family business successor today. It was observed that the selection of an educational path with high relevance for the family business can also fulfil a signalling function to the family business and the incumbent indicating a potential interest of the successor in joining the family business at a later stage even if the issue is not discussed explicitly. The selection of work experience in a company showing similarities to the family business can have a similar effect. If a potential successor does not “prove his or her worth” through external work experience, it

might happen that a successor is selected who is not capable of leading the family business. Selecting a successor who is not up to the task is generally perceived as one of the grave mistakes to be made in the succession process as this will ultimately affect the success of the business. Furthermore, it could lead to the unhappiness of the chosen successor, trapped in a job he or she is not capable of performing a situation which can have detrimental effects on the successor, his family as well as the family business (Kaye, 1996). When succession takes place early in the life of the successor due to an emergency situation in the business or the family, the *exploration phase* can be ended prematurely forcing the successor to move into the next developmental stage before the previous one has been completed. This could be observed for male as well as female successors in the current study. In such a situation, the aptitude and interest of the successor in the business could be perceived as a less important aspect since the continuity of the business needed to be guaranteed. This effect could also be observed when the age gap between parent and children is large (often the case for children from a second marriage) and the succession has to take place early in the career development of the successor if a cohabitation period within the family business is desired. Cases included in the current study, in which the *exploration stage* of career development was cut short, could nevertheless be considered examples of successful succession. However, both successors reported having a difficult time establishing themselves in the family business.

The *establishment stage* as defined by career development theory encompasses the decision to join the family business as well as the decision to become the successor of the family business. In a number of cases these two decisions were experienced as one and the same due to the fact that the family business offspring could only join the family business if he or she intended to become the leader also. The current study maintains that it is important to distinguish between the two decision steps as it demonstrated that they can indeed be separate decisions, as was the case for a number of the successors included in the current study. In this developmental stage the successor needs to acquire the skills necessary to fulfil that role and find his/her place within the family business. The development of the potential of the successor can be hampered by the continued presence of the predecessor which does not allow the successor to take over responsibility and to establish him or herself in the business. Theory suggests that the *establishment stage* lasts from approximately the age of 24 to the age of 44. The current study assumes that the succession process has to be completed for the *establishment stage* to be concluded since the successor needs to have been established as leader. One male and one female interview partner who reported their succession process to be ongoing were 43 years old at the point in time when the interview took place. In both cases the continued presence of the incumbent hindered the succession process.

A few female successors entered the family business at around the age when the succession process and the *establishment stage* are usually about to be completed. These deviated from the “normal succession decision pattern” insofar as all of them first decided against a future in the family business, pursuing a different career, but then joined the family business at a later stage in their lives when an emergency situation presented itself. These cases were difficult to rate concerning the decision to join the family business. Finally, it was agreed to rate their erstwhile decision as a decision against joining the family business and their revised decision to enter the family business as successor was recorded in the decision to become the successor. Inter-rater variability could have been reduced through clearer instruction on how to proceed in such cases. The instructions on how to use the succession tool will need to be adapted to ensure that it can also be applied raters in unusual cases by different following the same logic.

Furthermore, these unusual succession cases suggest that the career decision process needs indeed to be considered reversible when the initial decision is *against* a future in the family business. In one case in which the initial decision was *for* a future in the family business the decision was reversed when the successor decided to leave again because her conditions for succession could not be met by the other family members without provoking major conflict within the family. It was reported however, that reversing her decision to join was indeed a very difficult decision. Future studies could further explore the question of irreversibility with regard to the succession decision process. Insights from the current study indicate that irreversibility of the career decision process as proposed by Ginzberg (1984) does not seem to apply to career development of family business successors.

5.2.2 Order of decision steps

The order of the decision steps assessed in the current study was derived from career development and family business succession theory. Using the derived model to assess the cases included in the current analysis showed that it could be applied to a large number of succession decisions without difficulty. This gives an indication that the order of decision steps proposed by this work is useful to adequately map and describe the succession decision process.

For a subgroup of cases, the application was not so unproblematic. In a couple of cases, it appeared that the decision to become the successor was taken long before the educational path was even begun. Therefore, in order to map the decision process of these successors, the decision to become the successor would have to be moved from the last to the first position in the process. In such cases,

the career development of the successor is highly uncommon insofar as career decisions are usually taken later in the development of an individual. This indicated that the career developmental future of the family business offspring is influenced strongly by the presence of the family business at an age when other individuals are not even aware of their career options.

In another set of cases, the successors joined the family business before or during the education stage. In such cases the decision to join the family business would have to be placed before either education and/or work experiences or even make these steps obsolete. Successors displaying this pattern tended to belong to those cases in which succession took place many years previous to the interview and in which the interview partners were therefore of a more advanced age. It could be hypothesized that the more professionalized a family business and the more planned the succession process the less likely it will be to find a successor entering the family business without work experience. This pattern might, however, be observable in small less-professionalized businesses (Lin & Hu, 2007) or in emergency situations. Only one such case was included in the current analysis. When the succession process in this particular case took place, the family business was still rather small and the succession process totally unplanned.

Despite these above mentioned observations, the order of decision steps proposed was maintained for all cases in the current study. This was done in order to ensure comparability between the different cases throughout the analysis. In its practical application it might be useful to allow successors working with the tool individually to change the order of decision points to adapt it to their individual succession path.

The actual data showed that reality does not always conform to theory insofar as the order of the decision steps does not necessarily follow the predetermined pattern. Overall, the content and order of the decision steps seems to be useful to map the succession decision process.

5.2.3 The rating scale and decision patterns

The scale ranging from 0 to 4 for all five decision points was developed based on the range of decision making observable in the cases included in the current study. Despite the fact that none of the interview partners was allocated a score of 0 for decision steps *education*, *work experience* and *the decision to become the successor* these scores were included in the model as logical completion of the scale.

Eight out of the 16 interview partners, four male and four female, filled out their own successor profile according to the instruction developed by the current study. Interestingly, the respondents tended to place ratings in between

decision points. This can be seen as an indication that the scale was perceived as continuous on the vertical axis by the interview partners. Furthermore the scale was designed to also be continuous on the horizontal axis. A score of 0 for all three decision points indicates a large distance from the family business whereas a continuous score of 4 indicates a situation in which the successor is fully locked into the role of successor. Therefore, any succession profile that presents a more or less straight horizontal line indicated a homogenous succession profile. Any upward or downward movement of the decision curve can be investigated for inhibiting or facilitating influences from the relevant systems.

One important observation related to two of the decision points and the scale developed should be acknowledged here. *Education* as well as *work experience* were assessed for their relevance to the activities of the family business. Whether or not an education is judged to be of relevance for the task to be completed is dependent on the level of knowledge of the observer of the education as well as the understanding of the activities of the family business and the insight into the role to be filled by a successor. Relevance used here is a somewhat subjective measure. This becomes evident in the fact that these two decision points accounted for 13 out of 30 differences (43 %) between the ratings of the primary and secondary rater. Also it was responsible for 11 out of the 20 differences or 55 % between auto and hetero ratings. Interestingly, in all but three of these differences in rating the successors themselves rated education and work experience as lower than the independent raters did. This seems to indicate that greater knowledge of the situation reduces the perception of relevance. This observation is important when comparing succession profiles. Concerning the interpretation of a single succession profile as seen by the successor this weakness of the scale will not be expected to have an effect. Testing the tool and the instructions on a subsample of the interview partners served as a real life test for the succession profile and the scale developed.

The succession cases chosen for the current study were chosen due to their variability. No overall patterns for the succession decision could be observed either based on gender or any other successor characteristic or demographic. Decision patterns were investigated for age, generation, succession status, business size, managerial role (Kroeger, 1974) as well as type of emergency. Table 23 displays the decision points and how many male and female succession cases were allocated to either of the five possible scores.

It is not surprising that a small qualitative study with cases selected for variability does not produce discernible overall patterns. In order to investigate whether successor profiles differ according to gender or other demographics, a large number of cases will need to be collected. In order to achieve this aim, the tool and the instructions developed could be made available as an online survey

in order to generate a larger sample. This idea will be elaborated on when implications for theory are considered.

| | Rating 0 | | Rating 1 | | Rating 2 | | Rating 3 | | Rating 4 | |
|--------------------------|----------|---|----------|---|----------|---|----------|---|----------|---|
| | F | M | F | M | F | M | F | M | F | M |
| Gender | F | M | F | M | F | M | F | M | F | M |
| Perception of succession | 1 | 1 | 2 | 1 | 3 | 3 | 0 | 1 | 2 | 1 |
| Education | 0 | 0 | 2 | 1 | 4 | 2 | 2 | 4 | 0 | 1 |
| Experience | 0 | 0 | 3 | 1 | 2 | 2 | 1 | 2 | 2 | 3 |
| Joining | 2 | 0 | 1 | 0 | 3 | 1 | 1 | 5 | 1 | 2 |
| Succession | 0 | 0 | 1 | 2 | 2 | 0 | 3 | 5 | 2 | 1 |

Table 23: Frequency of decision alternatives according to gender

5.3 Influencing factors

The aim of this discussion section is to concentrate on the general findings concerning influencing factors. A summary of the factors identified by the current study can be found in Table 19, Table 20 as well as Figure 15.

Identifying all the factors that could possibly have a bearing on the succession process would not only be impossible (Stavrou, 1998) but also pointless. The current study proposes that a systematic way to identify, group and analyse the factors involved in the succession process is more valuable. Differently from Stavrou (1998), it proposes a classifications system based on a combination of the CDSTF (Patton & McMahon, 2006b) and the *bulleye model* (Pieper & Klein, 2007) dividing factors into the *environmental*, the *family business system* and its subsystems as well as the *individual systems*. Furthermore, factors were grouped as either facilitators or as barriers to the succession process. As was to be expected, the current study identified a large number of factors, 54 to be precise, as having a positive or negative bearing on the succession decision of one or more successor. Despite the large number of factors identified, it stands to reason that there can be many more depending on the particular succession context of a given succession story.

The contribution of the system developed by the current study lies in its usefulness for successors to identify the most important factors having a bearing on their succession and their succession decision. In combination with the other parts of the successor profile it allows successors to get a clearer picture of the factors influencing their succession decision in the past and the present through the allocation of factors to the time line of the succession decision process. In this it is in line with the CDSTF which stipulates possible change over time.

The large number of factors results from major as well as minor influences on

the succession process. Major factors are defined as those included in the successor profiles whereas minor factors are included in the results section but not in the successor profiles. Before major factors are discussed the larger picture emerging from the all factors combined will be considered.

5.3.1 Factor frequency per system

Overall, a total of 25 facilitators and 29 barriers were identified in the current sample, leading to the total of 54 factors identified. These can be allocated to the different systems as shown in Table 26. As can be seen from this table, the number of factors from each system is similar and equal to around five. This symmetry between systems indicates that the depth of analysis for the different systems was similar.

| | Facilitators | Barriers |
|--------------------|--------------|----------|
| Environment | 5 | 5 |
| Family | 5 | 7 |
| Ownership | 2 | 4 |
| Business | 5 | 4 |
| Management | 6 | 5 |
| Individual | 2 | 4 |

Table 24: Number of factors per system

Facilitators from the ownership and the individual system captured in the current study were slightly less numerous with only two factors in each category. Reasons for this relatively small number will be provided below when factor occurrences are being considered.

5.3.2 Factor occurrence per system

In absolute terms across all succession cases included in the current analysis, occurrences⁹ for factors were allocated to the different systems as shown in Table 25. It must be repeated here that these numbers are based on the rating of the primary rater only, as the analysis by the secondary raters was not designed to capture this degree of detail. Secondary raters were asked to identify major influences on the succession decision process only.

⁹ Factor occurrence is defined here as the number times factors from a system were observed in the current sample. Example: 28 occurrences of the five family business facilitating factors were observed.

| | Facilitators (n=130) | Barriers (n=121) |
|--------------------|----------------------|------------------|
| Environment | 18 | 12 |
| Family | 28 | 31 |
| Ownership | 14 | 12 |
| Business | 34 | 21 |
| Management | 26 | 29 |
| Individual | 10 | 16 |

Table 25: Number of factor occurrences per system across all cases

In numerical terms these frequencies have little interpretative power. They can however be employed to indicate the relative importance of the different systems for the succession process (see Figure 34 till Figure 36) as observed in the current sample.

The first readily apparent observation is that the distribution for occurrences for facilitators and barriers across all cases appears nearly equal. The family, business and management systems provide the largest number of factor occurrences of around 20 % to 25 %. The environmental, ownership and individual system appear to be of less importance for both facilitators and barriers following the above suggested analysis. It would be erroneous to think that this indicated less variation concerning the last three systems. Rather, the individual system is so complex that much of its complexity was not captured by the current study. This was intentional as it was not the aim of the current study to capture variation within the individual system. Facilitators from the individual system were only included when they were found to be of major importance. Concerning the ownership system, the comparatively small number of facilitating factors is interesting to consider. The number of barriers is larger, equal to four, indicating that barriers from the ownership system are perceived as such by the successor. It appears that successors do not experience facilitators from the ownership system as such, if they do exist. It might also be that the ownership system in the current system is less complex than the other systems due to the fact that the aspect introducing most of the complexity, i. e. the shareholders, have been allocated to the family business system.

Taking another perspective on the influencing factors found in the current study, Figure 36 gives an overview of factor occurrences per case. The figure shows that individual cases differ from 1 to 13 facilitating factors and from 1 to 12 inhibiting factors reported by the successors interviewed. Furthermore, cases differ greatly in the number of total factors reported from a total of 5 to 25 factors. In some profiles the number of facilitators outweighs the number of barriers; whereas in other cases the opposite can be found. In comparison succession cases in which the barriers outweigh the facilitators could be considered highly conflictual. Intriguingly, the most extreme of these examples is a

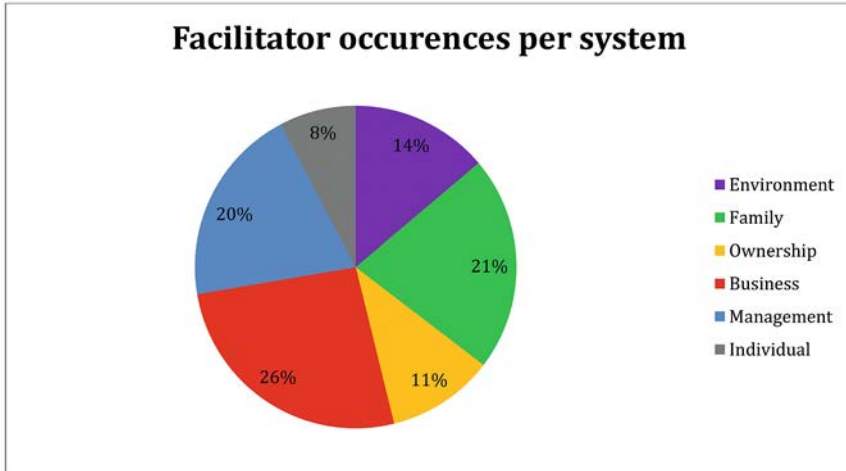


Figure 34: Frequency of facilitating occurrences

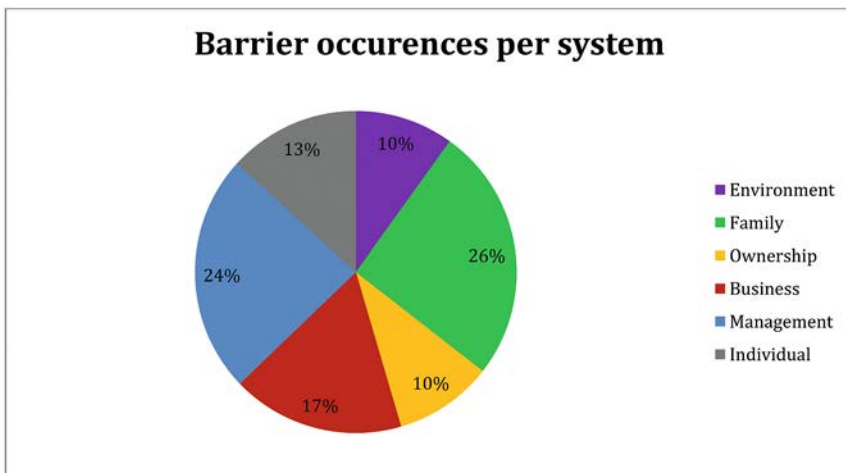


Figure 35: Frequency of barrier occurrences per system

case in which the succession process has not been completed yet. It might be argued that for such a succession to be brought to successful completion, achieving a balance between facilitators and barriers could be beneficial. A detailed analysis of the factors involved could be used to determine which system facilitators are missing and could still be mobilised. Successfully completed succession cases display an approximate balance between positive and negative factors or a predominance of facilitating factors. The balance between

facilitators and barriers could be used to assess the current status of an ongoing succession process. Such an assessment has to be based on the detailed analysis of a succession case as reported by a given successor.

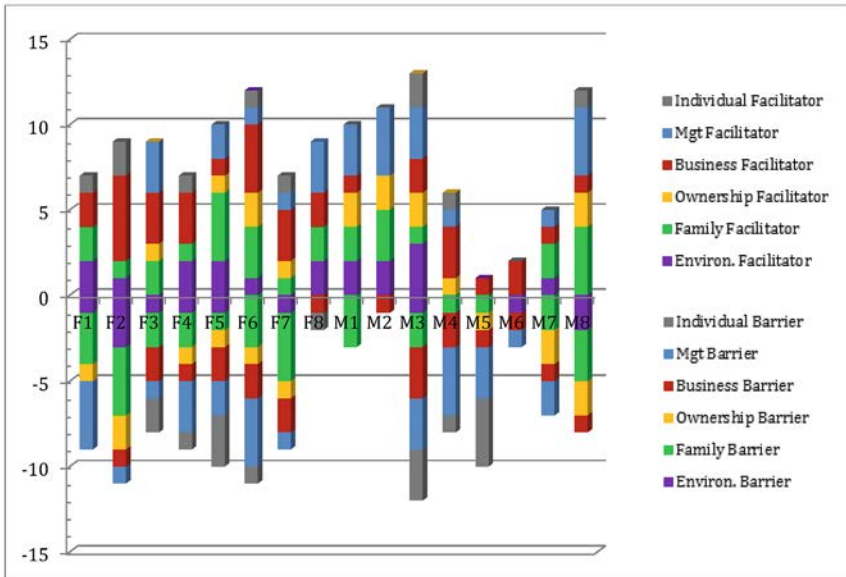


Figure 36: Frequency analysis of facilitators and barriers according to case

5.3.3 Occurrences of major factors per system

Furthermore, when successors are caught between major inhibiting and facilitating factors, the succession process can become stalled. The push and pull from two different systems or in some cases even from within the same system can create situations in which the successor becomes unable to make a decision. Therefore, a mere counting of factors does not have the same analytical power as the complete picture offered by the full succession profile. Zooming in on the major factors identified for the individual cases to see which systems they stem from, shows that most major facilitators and barriers originate from the family system (see Table 26 and Figure 39 till Figure 42 for details). These numbers are based on primary and secondary rater data.

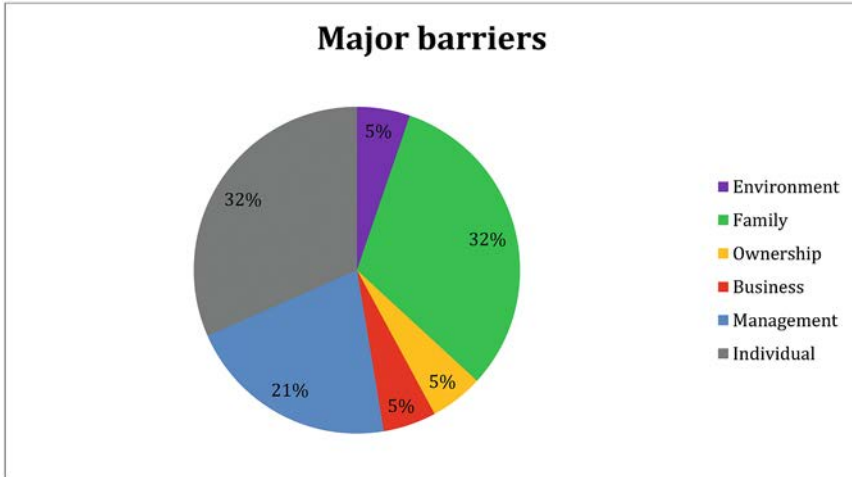


Figure 37: Major barriers according to system

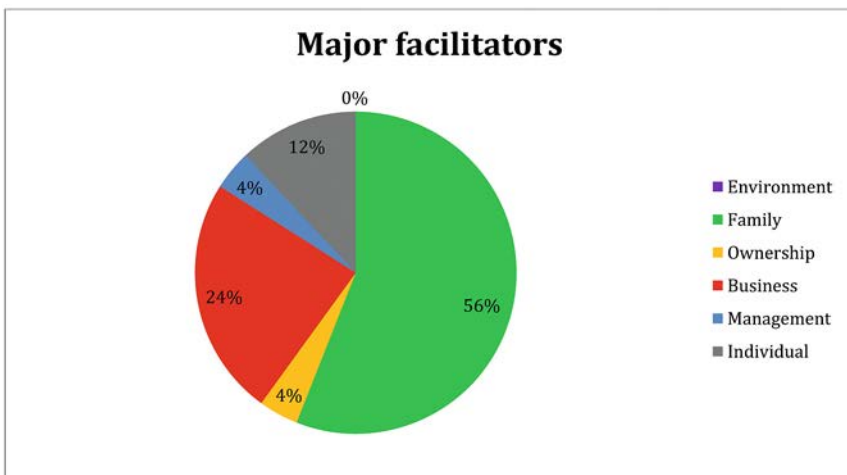


Figure 38: Major facilitators according to system

| | Environment | Family | Ownership | Business | Management | Individual |
|---------------------------------------|-------------|--------|-----------|----------|------------|------------|
| Barriers female succession | 1 | 5 | 1 | 0 | 2 | 3 |
| Facilitators female succession | 0 | 8 | 0 | 4 | 1 | 2 |
| Barriers male succession | 0 | 1 | 0 | 1 | 2 | 3 |
| Facilitators male succession | 0 | 6 | 1 | 2 | 0 | 1 |

Table 26: Frequency analysis of major facilitators and barriers according to gender

The overall distribution of factors shows that by far the largest share of facilitators stems from within the family system. Concerning barriers the family systems is of equally high importance to the individual system. These differences will now be further analysed according to the gender of the interview partners.

Nearly half of all factors having a major influence on the succession decision process stem from the family system. A quarter of major factors were allocated to the individual system. The business system plays a considerable role as facilitator but not as barrier for female successors. The other systems appear to be of negligible importance in the current sample.

The percentage of barriers emanating from the family system for male successors is markedly smaller 50 % whereas the number of facilitators is evidently larger. Major factors from the individual system again appear as the second most important influence with an important inhibiting influence.

The percentages presented in this section are based on rather small numbers. They are presented in order to show tendencies for facilitators and barriers according to system. A larger sample would be needed to substantiate the observations and interpretations presented below.

It seems that male successors experience less inhibiting impulses from the family than female successors. Similarly, the number of facilitators allocated to male successors is the largest number overall. Emergencies emanating from the family as well as the business system constituted a number of the major factors identified in this section. These are factors which are generally not under the control of the successor and can often change the succession context suddenly and fundamentally. In this respect they are different to other more constant factors included in the current analysis.

The CDSTF included chance as an additional element impacting factors from all systems related to the career decision making process. In career development theory chance can, for example, refer to chance encounters leading to career

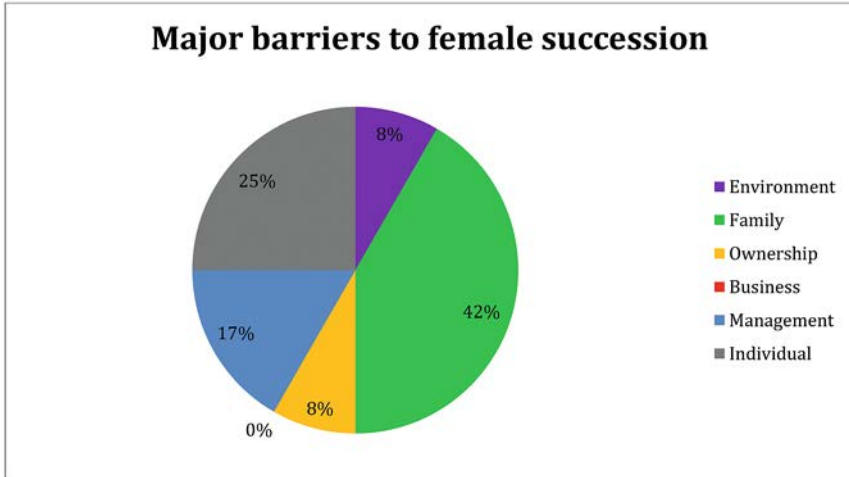


Figure 39: Major barriers to female succession according to system

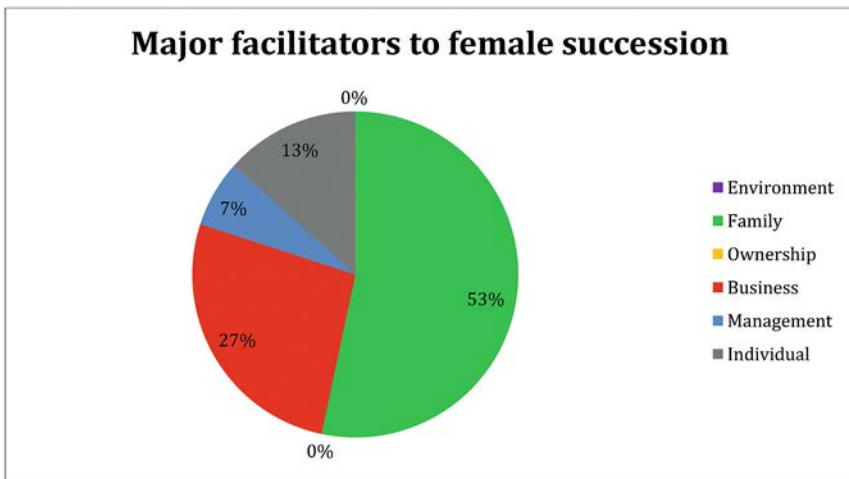


Figure 40: Major facilitators to female succession according to system

opportunities. Generally, the term chance is associated with positive occurrences. In the case of family business succession it was found that, unforeseeable events having an influence on the succession process were more often than not negative events such as the illness or sudden death of the incumbent that accelerated the succession process. Despite the fact that they could be classified as negative events, such factors were found to facilitate the succession process insofar as they pushed the successor towards succession. The element of chance

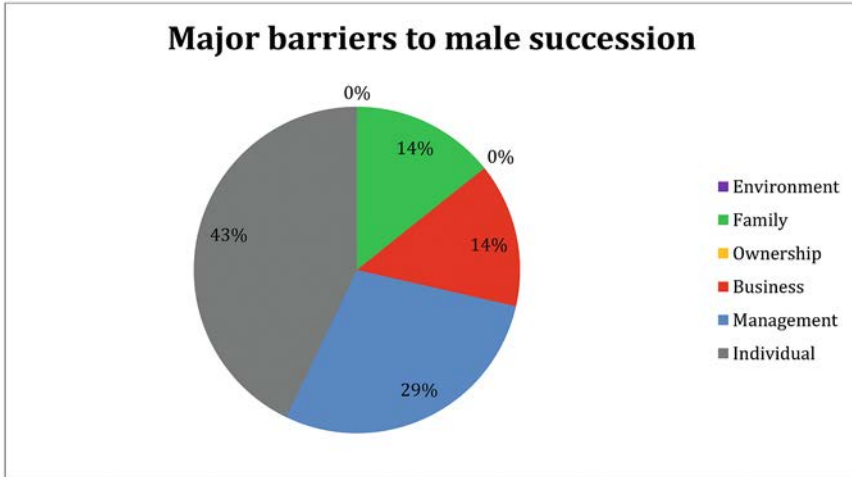


Figure 41: Major barriers to male succession according to system

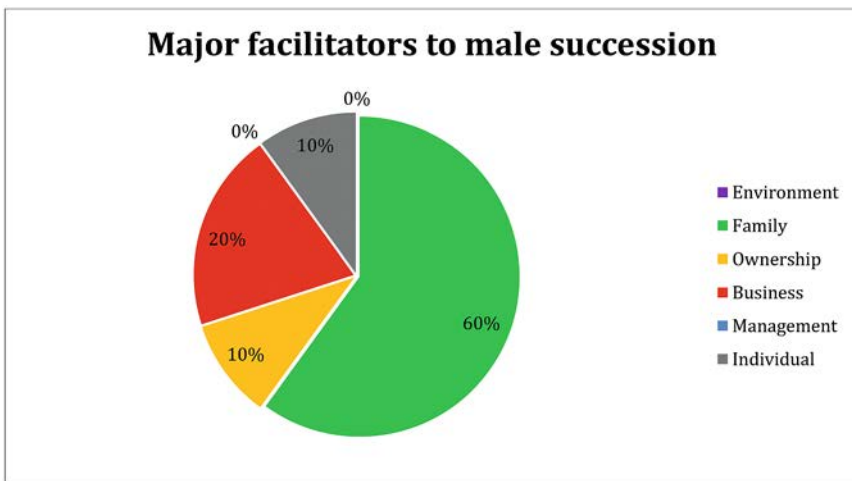


Figure 42: Major facilitators to male succession according to system

can be said to play an important role in the succession decision within the family business context and should therefore also be included in any framework seeking to describe influences on the succession decision process. Chance events which in this context could also be labelled emergency events were found to influence male as well as female succession decisions. Due to this specific nature and their previously identified importance for female succession, the role of

emergencies will be explored in more detail when differences for male and female successors are discussed.

The discussion of the influencing factors identified in the current study showed that despite the fact that each succession case is unique and the factors involved diverse, a systematic analysis and comparison of factors, major and minor, can increase the understanding of the succession decision as a whole. The factor analysis is an important aspect in drawing a complete successor profile.

6 Conclusions and implications

The aim of the current study was to further understanding of the succession process and the succession decision process by taking the perspective of the successor. Doing so by using insights from career development research was novel for the family business research field. Furthermore, it endeavoured to produce a piece of research with practical relevance for family business successors which can help them to navigate the succession process and most importantly assist them in making their decision for or against the family business as their future career.

The final chapter of this dissertation will summarize the conclusions reached concerning the three main research questions, acknowledge limitations of the current research project as well as indicate implications for theory and practice.

6.1 Summary of conclusions

The insights gained from the detailed discussion of the results produced by the current research project are numerous. The following subsection will summarize the most important of these insights and interpret them for their relevance and contribution to the research field.

6.1.1 The successor decision profile

An answer to the first research question, asking how the “child” of a business-owning family takes the decision to become the successor, has been sought in the current study. A five step succession decision model was developed based the combination of succession and career development literature.

The application of this theoretical process model to empirical data revealed that the five steps identified adequately describe the succession decision of family business successors. For succession cases in which the predetermined

order of succession decision steps did not “fit”, the model could nevertheless be used. Surprisingly the data indicate that in some cases the succession decision appears to be a reversible decision process in so far as a decision taken can be revised at a later stage, albeit not without negative repercussions for the successor and family relationships. The scales developed allowed exploration and visual mapping of the distance or closeness of the successor to the family business throughout the succession decision process. The scales for *education* and *work experience* measuring relevance for the family business were found to be somewhat subjective; a fact that needs to be taken into account when comparing ratings for these two decision steps.

Upward or downward movements of the curve throughout the five succession decision steps were found to generally indicate the implication of a previously absent or inactive major factor. Factors were allocated to one of the five systems stipulated by theory to have a bearing on the succession process and defined as either facilitator or barrier. Frequency of occurrences allocated to the different systems was used as an indication of the relative importance of the different systems. Balance of frequency between facilitators and barriers reported by successors was proposed as a possible tool indicating the degree of conflict in the succession case. For ongoing successions it could even be used to identify systems from which facilitators could be mobilized in order to bring the succession to a successful conclusion. An in-depth analysis of the major factors indicated that the family system and the individual system appear to be the most influential systems for the succession decision process as barriers and facilitators alike.

The succession decision model provided in the current study makes a theoretical contribution to the field of family business research insofar as it is the first model attempting to describe the individual steps in the succession decision process and the factors influencing it in detail from the point of view of the successor.

6.1.2 Succession experience as career development

The second question inquired how the decision is experienced and what it means for the career development of the successors. The experience of the successor was captured by the exploration of *successor commitment*.

The following insights were gained concerning the different commitment types. Previous research found a general shift towards affective commitment. No such shift was observed in the current sample. Rather, it appeared that once affective commitment was established it tended to be found throughout all phases of the succession process. Imperative commitment was found in some

cases in the current sample, more often among male successors. It is proposed to include additional antecedents for this commitment type based on which the successor finds himself or herself locked into the family business due to a lack of management alternatives within the family business. Furthermore, it was found that imperative and calculative commitment tended to disappear when succession was completed. Insights gained from the study about female successor commitment proposed to include personal opportunity costs as antecedent for calculative commitment. One case in the current sample suggests that the inclusion of this antecedent is also warranted for male succession cases. Data from the current research suggests that successors joining the family business in emergency situations generally displayed normative commitment already before the emergency presented itself rather than develop it faced with the emergency situation.

6.1.3 Male and female perspectives on succession

The current study has argued that the perspective of the successor on the succession process has been missing from family business research. In order to capture the variability of the experience, successors differing along a number of characteristics were included in the study sample. Based on the proposition from previous studies that female succession displayed some particularities, the current study included male and female successors in equal numbers. The tool developed and the insights gained are therefore equally based on the experience of male and female successors. This is a central quality of the current study as the tool developed and the insights gained are equally applicable to male and female successors.

The last of the three main research questions asked if and how the succession experience differed for male and female successors. Overall, the current study comes to the conclusion that the experience of the succession decision of male and female successors does not differ fundamentally. This absence of a difference concluded is an interesting insight in itself as little was previously known about the succession decision of either male or female successors before the current study was undertaken. Throughout the entire research process and particularly during the data analysis stage, sensitivity for the gender of the successors was maintained. If a fundamental difference in the way male and female successors take the decision to become the successor had existed, the current study would have been designed to capture it. This conclusion does not mean that future studies should not adopt a similar gender sensitive approach however, as it is important to base new knowledge about succession on the experience of male and female successors alike.

The conclusion that no major differences have been found does not mean that no minor differences were observed. Due to the fact that the sample included in the current study was a qualitative sample, such differences should be understood as tendencies to be investigated further by future research only. A summary of the minor differences pointed out throughout the results and discussion sections of the current study will now be provided.

No overall difference in the patterns of succession decisions could be deduced from the data collected from the sample included in the current study. Few differences concerning successor commitment for male and female successors were found by the current study. Concerning early normative commitment, it was found that, contrary to previous findings, female successors did not develop this commitment type only when they were the oldest or only child. Imperative commitment was found more often for male than for female successors, a pattern which will need to be investigated further.

Female successors had been found by previous research to often be invisible as successors. In the current study none of the female successors included could be considered as invisible. This is not surprising as all of them did become the successor which is why they were selected for participation in the current study. The current study does not support the conclusion that female successors are invisible to themselves, their families or the family businesses. However, this observation could be attributed to a sampling effect.

Previous research stressed the influence of emergencies in female succession cases. The current study found the influence of emergency situations for both male and female successors.

There were some differences between male and female succession in factors influencing the succession decision process. Career development research found *marriage, motherhood, homemaking, mate selection* as well as *fulfilment* were identified among other operated differently for female careers (Psathas, 1968; Zytowski, 1969). The in-depth analysis of the major factors according to system and gender revealed a tendency to report a facilitating effect of the family system for male successors whereas barriers stemming from the same system were found less often than for female successors. This effect can in part be explained by the reported influence of the female successor's own nuclear family. The need to combine succession with child-care responsibilities appears to be an issue of relevance for the succession decision of female successors but less so for male successors. This finding might be of more relevance in the German context than in other countries of the western world in which child care provided by the state is better organized. This is not an issue for female family business successors alone, but for the career development of women in Germany in general. Concerning the balance of facilitators and inhibitors, no clear difference for male and female successors can be identified. Previous research had proposed female

succession to be generally less conflicted than male succession. Based on the analysis of balance of influencing factors the current study cannot support this finding.

6.2 Limitations and implications

6.2.1 Limitations of the research

The current study has produced a large number of results and insights concerning the succession decision of family business successors. This was possible because of the strengths of qualitative in-depth research. This allowed the researched to approach the topic without being restricted to specific questions. The data gathered is based on the human experience capturing complexity and subtleties lost to other types of research. However, qualitative research also comes with a number of limitations. The limitations of the current research will now be deliberated.

One often-cited limitation of qualitative research is its limited generalizability. The study is based on German data only. As was pointed out in the background section on successor gender, the time and place from which research originates is important when considering and comparing data. The successor profile tool developed is based on theory as well as empirical findings; therefore, it should be applicable to different settings while maintaining its usefulness to understand and analyse succession decision processes. Tendencies reported in the current study concerning frequencies and occurrences of certain concepts might present themselves differently in a different cultural context and therefore be particular to the German context. Furthermore, the relative importance of factors originating from the fact that career and child care responsibilities for female successors need to be combined might also be particularly pronounced in the Germany context as the compatibility of childcare and work are notoriously difficult for German women. In other countries, in which childcare is better organized, the pronounced differences for male and female successors might be less so. Generalizing the findings related to this difference to other contexts might therefore not be warranted. This does not impair the usefulness of the succession profiling method developed by the current study.

Most, but not all of the interview partners chosen, were connected to the WIFU network. Due to the fact that this institute seeks to educate family business members about important family business issues, the sample might be considered better informed and possibly more reflective concerning the succession process than the general population. Due to the fact that the information gained from this in-depth study was employed to develop a tool rather than to look for

trends to be generalized across the population, this limitation is not considered to be of major importance.

Qualitative research is highly dependent on the skills and personal biases of the researchers involved. All interviews and the preliminary analysis were carried out by one and the same researcher. Therefore, both of these elements were held constant throughout the research process. The researcher's own family business background was beneficial in establishing a connection with each of the interview partners. It could therefore also be considered a strength of the current research project.

The analysis of the data obtained was also undertaken by the same researcher. The effect of this researcher bias was sought to be reduced by the introduction of the secondary rating procedure. Assessment of the succession decision steps, major influencing factors, as well as successor commitment could be improved by the application of this procedure. The procedure could not be used for the identification of minor factors as the secondary rating procedure did not allow for such a high level of detail.

The scale developed to assess the *education* and *work experience* steps in the succession decision was found to be rather subjective. This became apparent as these two steps were the source of the highest initial inter-rater disagreement. This particular limitation will not matter when the tool is used by successors themselves, as it is their own judgement of relevance that will matter. This limitation needs to be kept in mind, however, when the same succession case is rated by different raters and compared. The assessment of successor commitment will also remain somewhat subjective until an assessment method adequately measuring commitment strength and commitment type has been developed. Until such a tool has been validated, the assessment of commitment type based on commitment antecedents reported will remain somewhat vague.

The data collected was based on the personal story of the successor as he or she chose to tell it to a "stranger". Some of the aspects of the succession story as told in retrospect might have been altered by the successor in order to make the story more interesting or appear in a better light. Triangulation is a common method to try to overcome this problem. This bias cannot be avoided entirely as the successor is the only source for the information available for the focus of the current study. Upon review the interviews did not appear to contain information that was overly positive or seemed to be intended to draw a glorified picture or socially desirable picture of the succession process. In some succession cases, rather the opposite was true. The tone and candour of the interviews do rather suggest that the interview partners were truthful in their account of the succession process.

Now that the limitations of the current study have been outlined, implications for practice and suggestions for future studies will be provided.

6.2.2 Summary implications for practice

In the previous discussion section, a number of implications for practice were already pointed out where appropriate. The current section will summarize these implications.

The successor profiling tool proposed by this study can be employed to assist successors presently taking their succession decision to understand their current situation, previous decisions and factors having an influence on them in this complex process. Following the detailed instructions developed and pilot-tested, the successor can analyse his or her own succession situation and become aware of the succession decision as an active decision to be taken. The tool developed by the current study offers a systematic way to approach the issue. This can be done by the successor alone, together with a coach, or in a workshop setting. The latter was undertaken by the researcher in the late stages of finalizing this work. A workshop based on the succession profile tool with 30 participants gave important insights into the practical application of the results produced. Building a group discussion around the succession profile allowed better comparability between cases and thereby increasing the effectiveness of the exchange between successors. The tool can also be used to analyse and better understand the succession decision of other members of the business-owning family. Particularly the exploration of the type of successor commitment exhibited by siblings or cousins was reported to be insightful.

Feedback from interview partners participating in the current study after having filled out the self-rating version of the tool indicated that reflecting the succession decision process through the interviews and using the tool had been an enriching experience for them. This indicates that the practical implication of the current study is an important and valuable one. Furthermore, the tool might be used by successors to initiate discussions with the incumbent about the succession decision process. Talking about succession as career development might allow the successor to give this often difficult discussion with the incumbent a new frame. It might be easier to understand the offspring's intentions when seen in the context of career development and career aspirations rather than simply from the point of view of succession. Changing the perspective from the business and its needs to the successor and his and her needs and ambitions can open up new avenues for discussion and succession planning. Confronting the incumbent with the successor's profile might be a way to show to what extent the successor feels that he is taking his own decision concerning his career or how far he feels externally driven towards a certain outcome.

In conflictual situations it might be advisable to use the tool under the supervision of a counsellor or coach assisting in the succession process.

6.2.3 Summary of suggestions for further study

A number of suggestions for future research have been indicated in the discussion section. The current section will summarize these suggestions. An overview can be found in Table 27. Following these suggestions could further our understanding of the succession decision process and the perspective of family business successors. Each of the suggestions provided will be described briefly.

| Concept | Possible future studies |
|-------------------|--|
| Successor profile | – Qualitative study of successor profiles |
| Commitment | – Measurement scale for successor commitment types – Incumbent commitment and letting-go – The dark side of commitment |
| Factors | – Factors in failed succession |

Table 27: Summary of suggestions for further study

Large scale quantitative research is needed in order to uncover patterns related to successor profiles and differences between successor groups such as male and female successors, generation, managerial task, congruent or incongruent succession, birth order and possibly country. Such a study could take the form of an online survey in which successors are invited to use the successor profiling tool to gain a deeper understanding of their own succession process and succession decision. The differences between the succession decision scores between the auto and hetero rating of the successors included in the current study is not considered a problem for such a large scale quantitative study as long as comparisons are only made between same type of data.

A promising direction for future studies could also be to develop reliable scales for successor commitments not only allowing the identification of commitment type but if possible also of relative commitment strength. Further insights into the concept of successor commitment will be limited until a reliable assessment tool for successor commitment has been developed. This would foster the understanding of the different commitment types coexisting as well as the relative increase in quality or strength of certain commitment types over time.

It would be intriguing to investigate how commitment of the successor changes as he or she comes into the *disengagement stage* of the career developmental process in which the task is to let go again of the family business. Understanding more about the differences between this incumbent commitment might be useful for approaching the generally referred to inability of many family business incumbents to let go of the family business.

A study investigating the succession decision of potential successors who decided against joining the family business or becoming the successor would be

interesting insofar as the “dark side of commitment” might be uncovered. Furthermore, such a research project could be used to identify the most common factors effectively hindering succession.

6.3 Concluding remarks

First of all, it can be concluded that the succession decision is most often perceived as a decision to be taken by the successor. Secondly, the current study did not find a fundamental difference for the succession decisions of male and female successors.

The main aim of this study was to explore the way successors experience the succession decision. In doing so, the current study made a theoretical contribution to the family business research field by adding insights about the succession process in general and the succession decision process of male and female successors in particular to the knowledge base.

It is hoped that the insights and observations provided by the current study can help the successor make the best decision for them by enabling them to be aware of all the elements, internal and external, which are crucial for this important personal career decision. Naturally, it should also be made with the family business in mind and what is best not only for the future of the successor but most and foremost for the future of the family business. How that is to be achieved and how the family business can assist the successor and safeguard against the “wrong” kind of successor was not the focus of the current study and needs to be added by other bodies of research taking the perspective of the family business, not that of the successor. Helping successors understand their succession decision, however, makes also a practical contribution to family businesses in general. A successor aware of his situation, taking a considered decision for or against the family business will be able to take a better decision also for the benefit of the family business. The importance of family businesses for the German economy is generally acknowledged along with the threat that can be posed by failed successions. Therefore, helping successors in making an educated succession decision might also contribute to maintaining the success of German family businesses.

Another practical contribution of the current study is to propose a systematic way to analyse and describe different succession decision processes in a way which allows comparing experiences despite the uniqueness of every individual case.

The aim of research such as the current study never was and never should be to tell successors how to decide whether or not to become the successor in their family business. There is no ideal path to succession and it is not the intention of

the current study to suggest otherwise. Every succession process and every succession decision is unique. The circumstances as well as the inimitable characteristics of the successor make it unique for every successor and every family business. The best decision for the family business and the career development of the successor can only be determined by the successor aware of the complex systems surrounding him or her.

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