

**A CONCEPTUAL MODEL FOR LEADERSHIP SUCCESSION PLANNING FOR  
FAMILY-OWNED BUSINESS ENTERPRISES**

By

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## DECLARATION

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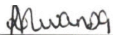
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### **A Conceptual Model for Leadership Succession Planning for Family-Owned Business Enterprises**

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## **ABSTRACT**

Family business has gained prominence over the years in South Africa and worldover as one of the critical vehicles for employment creation and hence poverty eradication. However, family businesses face several challenges. One of the serious challenges is lack of leadership succession planning which ultimately leads to low performance levels and lack of sustainability. Despite several studies that have been conducted on family business generally, little information exists on the conceptual model for leadership succession planning. In view of the growing importance of family business and lack of leadership succession planning model, this study sought to investigate the relationship between leadership succession planning, performance and sustainability of family-owned businesses. Both these research objectives were pursued with an ultimate view of developing practical guidelines and a model that family-owned businesses in South Africa can use to mediate challenges inherent in leadership succession planning.

The study used a sequential mixed methodology that started with a quantitative study which was followed by a qualitative study. The researcher used a mixed-method framework by employing purposive and snowball sampling in selecting and collection of data from the family-owned businesses. Questionnaires and semi-structured interviews were used. Data collected through questionnaires was analysed using IBM SPSS Version 25 and was used in understanding the demography of the participants and the inherent trends in their experiences of leadership succession planning. Data collected through semi-structured interviews identified themes after being processed and analysed using Atlas.ti Version 8. Thematic analysis was done to ultimately make meaning of thematic data in order to answer the research questions.

The study revealed that leadership succession planning is a process rather than an event. It also emerged that leadership succession planning is a multi-dimensional and complicated process that is not easy to manage and hence requires much careful planning and mediation. The study also established that the process of managing leadership succession is determined by factors that include family values such as trust, honesty and unity and even aspects of effective leadership, interest and transition

awareness. Another exciting study observation was the existence of relationships among leadership succession planning, performance and sustainability of family-owned businesses, which has already been widely acknowledged by other researchers. Interestingly, the study also revealed that leadership succession planning in family-owned businesses largely depends on how well the process itself is managed.

Based on the findings, the study presented several practical guidelines and proposed a leadership succession planning model that family-owned business can adopt and adapt for use, as they grapple with succession planning in any type/size of family-owned business.

Overall, the study made theoretical and practical contributions to the field of leadership and business management. Recommendations were also identified and suggested for further research studies.

### **KEY TERMS**

Leadership succession planning, Family-owned business, Business performance, Business sustainability, Family values, Transition awareness, Effective leadership, Skills transfer, Medium-scale business enterprises, Small-scale business enterprises

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS .....	iii
ABSTRACT .....	iv
KEY TERMS .....	v
LIST OF FIGURES.....	xiii
LIST OF TABLES.....	xiv
CHAPTER ONE: INTRODUCTION AND BACKGROUND TO STUDY.....	1
1.1 INTRODUCTION .....	1
1.2 PROBLEM STATEMENT .....	3
1.3 AIM OF THE STUDY .....	4
1.3.1 Objectives .....	5
1.4 MAIN RESEARCH QUESTION .....	5
1.4.1 Sub-Research Questions .....	5
1.5 RATIONALE .....	5
1.6 SCOPE OF THE STUDY.....	6
1.7 STRUCTURE OF THE THESIS .....	7
1.8 SUMMARY .....	8
CHAPTER TWO: REVIEW OF LITERATURE PERTAINING TO THE STUDY .....	9
2.1 INTRODUCTION .....	9
2.2 HOW IS LEADERSHIP SUCCESSION PLANNING DESCRIBED AND UNDERSTOOD? .....	9

2.3	APPROACHES TO LEADERSHIP SUCCESSION PLANNING OR MODELS .....	14
2.3.1	External Expertise .....	15
2.3.2	Effectiveness versus succession satisfaction .....	16
2.4	THE ROLE OF FAMILY-OWNED BUSINESSES AND WHAT THEY ARE .	20
2.5	CONCEPTUAL FRAMING OF A FAMILY-OWNED BUSINESS .....	21
2.6	SOME OF THE ADVANTAGES OF FAMILY BUSINESSES .....	26
2.6.1	Fidelity or loyalty.....	27
2.6.2	Legacy or inheritance .....	28
2.6.3	Work of labour.....	29
2.6.4	Patience or endurance .....	29
2.6.5	Intergenerational succession and relationships.....	29
2.7	CHALLENGES FACED IN FAMILY-OWNED BUSINESSES .....	30
2.7.1	Contradictory values and goals .....	30
2.7.2	Family expectations or anticipations.....	31
2.7.3	Unwillingness or reluctance to plan .....	31
2.8	FACTORS AFFECTING LEADERSHIP SUCCESSION PLANNING IN FAMILY-OWNED BUSINESSES .....	32
2.8.1	Level of education .....	32
2.8.2	Size of business .....	33
2.8.3	Strong family values and cohesion.....	33

2.8.4	Effective leadership .....	34
2.9	WHY IS LEADERSHIP SUCCESSION IMPORTANT FOR PERFORMANCE AND SUSTAINABILITY OF FAMILY-OWNED BUSINESSES?.....	35
2.10	INDICATORS FOR MEASURING PERFORMANCE .....	37
2.11	LEADERSHIP SUCCESSION PLANNING IN OTHER COUNTRIES .....	39
2.12	SUMMARY .....	45
CHAPTER THREE: THEORETICAL FRAMEWORK .....		46
3.1	INTRODUCTION .....	46
3.2	COMMON-SENSE THEORY OF LEADERSHIP SUCCESSION .....	47
3.3	VICIOUS CYCLE THEORY .....	48
3.4	RITUAL SCAPEGOATING THEORY .....	50
3.5	PLANNED BEHAVIOUR THEORY.....	51
3.6	OTHER THEORIES OF LEADERSHIP SUCCESSION.....	54
3.6.1	Succession planning and management theory.....	54
3.6.2	Resource-based view theory .....	55
3.6.3	Social exchange theory .....	56
3.7	A HYBRID THEORETICAL FRAMEWORK.....	57
3.8	SUMMARY .....	59
CHAPTER FOUR: RESEARCH METHODOLOGICAL FRAMEWORKS: METHODS AND DATA ANALYSIS.....		61
4.1	INTRODUCTION.....	61



4.2	ONTOLOGY AND EPISTEMOLOGY PERSPECTIVE .....	61
4.3	RESEARCH DESIGN: MIXED METHOD .....	63
4.4	DATA COLLECTION PROTOCOLS.....	66
4.4.1	The questionnaire.....	66
4.4.2	Selecting the family businesses population.....	68
4.4.3	Semi-structured interviews .....	70
4.4.4	Selecting participants and conducting the interviews .....	72
4.4.5	The participants profile .....	72
4.5	MANAGEMENT OF DATA .....	75
4.6	DATA ANALYTICAL FRAMEWORK .....	76
4.7	PRE-TESTING OF THE RESEARCH INSTRUMENTS: QUANTITATIVE AND QUALITATIVE INTERVIEW GUIDE.....	79
4.8	ANALYSIS OF QUANTITATIVE DATA.....	79
4.9	ANALYSIS OF QUALITATIVE DATA .....	80
4.9.1	The steps that the researcher followed during the qualitative data analysis process.....	81
4.10	RESEARCH ETHICS.....	83
4.11	ENSURING RELIABILITY AND VALIDITY .....	84
4.11.1	Use of different data collection instruments.....	85
4.11.2	Prolonged engagement with research participants.....	85
4.11.3	Frequent debriefing and review by peers .....	86

4.11.4 Reflexivity.....	86
4.12 SUMMARY .....	89
CHAPTER FIVE: QUANTITATIVE DATA ANALYSIS AND FINDINGS.....	90
5.1 INTRODUCTION.....	90
5.2 DEMOGRAPHIC INFORMATION .....	90
5.3 ABOUT FAMILY BUSINESSES .....	98
5.4 UNDERSTANDING LEADERSHIP SUCCESSION PLANNING.....	101
5.5 LEADERSHIP SUCCESSION PLANNING AND BUSINESS PERFORMANCE AND SUSTAINABILITY .....	104
5.6 CORRELATION AND TEST OF ASSOCIATION RESULTS .....	106
5.7 WHAT ARE THE RELATIONSHIPS AMONG THE FACTORS? .....	113
5.8 SUMMARY .....	114
CHAPTER SIX: THE CONCEPTUAL MODEL OF LEADERSHIP SUCCESSION PLANNING .....	115
6.1 INTRODUCTION.....	115
6.2 PARTICIPANTS' UNDERSTANDING AND EXPERIENCE OF LEADERSHIP SUCCESSION PLANNING.....	117
6.3 MOTIVATION FOR LEADERSHIP SUCCESSION .....	124
6.4 FACTORS INFLUENCING LEADERSHIP SUCCESSION PLANNING.....	128
6.4.1 Interest in and for the family business.....	129
6.4.2 Skills transfer and/or in leadership succession planning .....	131
6.4.3 Transition awareness and formalising leadership succession.....	135

6.4.4	Effective leadership and performance of a business .....	137
6.4.5	Hard work and leadership succession planning .....	140
6.4.6	Family values and leadership succession planning.....	142
6.5	DISCUSSIONS OF THE MAIN RESEARCH FINDINGS .....	145
6.6	What is leadership succession planning and how business owners in South Africa understand it?.....	146
6.7	How does leadership succession planning affect performance and sustainability of a family business?.....	148
6.7.1	Factors affecting successful leadership succession planning in family-owned businesses.....	149
6.8	ON GUIDELINES TO IMPROVE LEADERSHIP SUCCESSION PLANNING .....	151
6.9	PROPOSED MODEL FOR LEADERSHIP SUCCESSION PLANNING ....	152
6.10	THEORETICAL CONTRIBUTION .....	153
6.11	SUMMARY .....	154
CHAPTER SEVEN: REFLECTIONS, CONCLUSION AND RECOMMENDATIONS .....		155
7.1	INTRODUCTION .....	155
7.2	REFLECTIONS ON THE STUDY.....	155
7.3	CONCLUSIONS .....	156
7.3.1	How were the research questions answered?.....	156
7.3.2	Study limitations .....	157

7.3.3	Delimitations of the study .....	158
7.4	The original contribution of the study .....	158
7.4.1	Theoretical contribution .....	159
7.4.2	Practical contribution .....	159
7.4.3	Recommendations for future research .....	160
7.5	CONCLUSION.....	160
	LIST OF REFERENCES .....	161
	ANNEXURE I QUESTIONNAIRE .....	187
	ANNEXURE II INTERVIEW SCHEDULE .....	191
	ANNEXURE III ETHICAL CLEARANCE .....	193
	ANNEXURE IV CODE REPORT .....	195
	ANNEXURE V QUOTATION REPORT .....	196

## LIST OF FIGURES

Figure 2.1:	Dimensions of leadership succession .....	14
Figure 2.2:	Model of success for family business succession .....	17
Figure 2.3:	The three-circle model .....	18
Figure 2.4:	Balanced scorecard performance framework .....	39
Figure 3.1:	The vicious cycle theory of leadership succession.....	49
Figure 3.2:	Theory of planned behaviour .....	52
Figure 3.3:	Conceptual framework of a succession planning process. ....	55
Figure 3.4:	Hybrid theoretical framework .....	58
Figure .3.5:	Succession planning framework .....	59
Figure 4.1:	Data collection protocol and rationale .....	66
Figure 4.2:	Data management process flow diagram.....	76
Figure 4.3:	Thematic data analysis framework.....	78
Figure 4.4;	Atlas.ti qualitative data analysis .....	81
Figure 5.1	Age range of respondents.....	91
Figure 5.2:	Location of respondents.....	92
Figure 5.3:	Size of family.....	93
Figure 5.4:	Type of business.....	94
Figure 5.5:	Your position in the family .....	95
Figure 5.6:	Your position in the business .....	96
Figure 5.7:	Highest level of education.....	97
Figure 5.8:	Who is in charge of the business? .....	98

Figure 5.9:	Is the founder member still active in the management of the business? .....	99
Figure 5.10:	Income net value of your business.....	100
Figure 5.11:	How could you rate the overall performance of your business? ....	101
Figure 5.12:	Did you receive any training in leadership succession planning? .....	102
Figure 5.13:	Did you get any help with drafting the leadership succession plan? .....	103
Figure 5.14:	How often is leadership succession planning reviewed? .....	104
Figure 5.15:	Did leadership succession planning affect the way your family business was performing? .....	105
Figure 5.16:	Considering the performance and sustainability of the family business when changing the leadership of the business .....	106
Figure .6.1:	Understanding leadership succession planning .....	116
Figure 6.2:	The relationship between characteristics shaping leadership succession planning.....	138
Figure 6.3:	Model for leadership succession planning .....	153

### **LIST OF TABLES**

Table 2.1:	Summary of concepts of leadership succession planning.....	10
Table 2.2:	Summary of concepts for family-owned business .....	24
Table 2.3:	Summary of ground-breaking research articles .....	43
Table 4.1:	Criteria for the selection of samples.....	69
Table 4.2:	Participants' demographic profile .....	72
Table 4.3:	Alignment of research questions; research objectives; research instrument; literature review; variable type and analysis.....	87

Table 5.1:	Age range and type of business cross tabulation.....	107
Table 5.2:	Age range and Income net value of your business cross tabulation .....	107
Table 5.3:	Location and your position in the family business cross tabulation	108
Table 5.4:	Location and the highest level of education cross tabulation .....	109
Table 5.5:	Location and effect of leadership succession planning on how business was performing .....	109
Table 5.6:	Size of family and type of business cross tabulation.....	110
Table 5.7:	Size of family and how leadership succession planning affected the way the family business was performing cross tabulation.....	111
Table 5.8:	Your position in the business and income net value of your business cross tabulation.....	111
Table 5.9:	Age of business and income net value in rand cross tabulation ...	112
Table 5.10:	Training in leadership succession planning and getting support cross tabulation.....	113

# CHAPTER ONE: INTRODUCTION AND BACKGROUND TO STUDY

## 1.1 INTRODUCTION

Family-owned businesses are widely acknowledged as one of the drivers of sustainable national economic growth in many parts of the world. They are well known for their being able to develop business management and leadership capabilities across generations and to inculcate a sense of ownership, loyalty and long-term strategic commitment within family members (Zellweger, 2017; Patidar, 2016).

Furthermore, 80% of the businesses in the world are said to be owned and controlled by families. Hence, they contribute significantly to the gross national product, employment opportunities, as well as total exports in both developing and developed countries (Oudah, Jabeen & Dixon, 2018; Kavediya, 2017; Shevel, 2014).

It is also estimated that 80% of the businesses in South Africa are regarded as family-owned businesses, as observed by Van der Merwe (2011). Additionally, these businesses which are run and managed by family members in South Africa contribute 30% towards the country's GDP and employ a workforce close to 60% (Thabetha, 2005 cited in Tanzwani, 2010). However, most of the family-owned businesses are faced with many challenges, such as lack of sustainability which mainly results from poor succession management (Mohamed & Mtembu 2021; Oudah, *et al*, 2018; Van der Merwe, Venter, E., & Farrington 2012; Venter, Boshoff & Mass, 2005).

This study explored the relationship between leadership succession planning, business sustainability, as well as the general performance of businesses that are run and owned by families with specific reference to the South African context. The ultimate objective was to seek an in-depth understanding of how effective leadership succession planning contributes to improved business sustainability and general performance.

Succession planning (as it relates to the performance and sustainability of family-owned businesses) has already been widely researched (Kiwia, Bengesi, & Ndyetabula, 2020; Pindado & Requejo 2015; Gilding, Gregory & Cosson, 2013). However, research in leadership succession planning with particular reference to how



it influences business performance and sustainability has been found to be lacking and requires further research as stipulated in the next paragraph.

Relatively few empirical studies have tried to investigate how leadership succession planning influences business performance and sustainability, but they tend to focus on comparative analysis between family and non-family businesses (Patidar, 2016; Chaganti & Schneer, 1994; Daily & Dollinger, 1992). Consequently, investigating leadership succession planning empirically overlooks the fact that each family-owned business is unique (Barrett, 2016) and that the way its leadership succession planning plays out and influences performance differs. Hence, the need for more research to investigate or explore the dialectic relationship between leadership succession planning and the overall performance of businesses run and owned by families cannot be overstressed.

A study to explore leadership succession planning with a focus on how it affects performance and sustainability of family-owned businesses is not only necessary in South Africa but also critical given the contribution that family-owned businesses make to the country's Gross Domestic Product (GDP). The study can further help to inform the development of practical and context-specific guidelines (which are currently not available) that family-owned businesses could utilise to improve their performance and general sustainability.

Therefore, what is apparent and to a degree confirmed is that most family businesses rarely survive beyond the death of the founding family member (Barrett 2016; Price Water Coopers, 2011). Also available but lacking explanatory depth are statistics and rates of failures associated with family-owned businesses, globally and locally in South Africa.

According to GEM's report and other scholars, the failure rate of family businesses for South Africa was between 70% and 80% (GEM Report, 2008; Ryan, 2003; Moodie, 2003). The general view, as noted by Steen (2018) and Batsakis (2014), indicates that only 30% of family-owned businesses progress to the generation in the second phase successfully, while in the third generation, only a mere 10% make it, with fewer family-owned business enterprises expected to survive for only five to 10 years (Steen, 2018;

Batsakis, 2014; Zellweger, Nason & Nordqvist, 2012; & Nieman cited in Taruwinga, 2011).

These statistics are invaluable, but as already alluded to, they lack explanatory depth in terms of how interactions between leadership succession planning, performance and sustainability of family-owned businesses eventually translate into the high failure rates. Hence, this has been observed as a knowledge gap, and as elaborated further in the next section, this study sought to investigate and explore the gap.

In addition, apart from only investigating how many family-owned businesses have failed to go beyond the death of their founding family member, the study also investigated why and how this happens as it relates to the same enterprises' leadership succession planning.

## **1.2 PROBLEM STATEMENT**

Firstly, although numerous scholars and researchers continue to claim that many factors affect family-owned businesses, leadership succession planning is, as pointed out by Kiwia, *et al* (2020), Patidar (2016), Barrett (2016) and Fitzgerald & Moon (1996), reportedly one of the critical factors that shape and influence the overall performance and sustainability of these enterprises (Abdullah, Hamid & Hashim, 2011; Bhardwaj, 2016).

Researchers such as Mohamed & Mtembu (2021); Grove (2017), and Mussolino & Calabro (2014) concur with this observation and further highlight the extent to which failure to manage leadership succession planning can harm the sustainability and performance of small-scale family-owned businesses. Closely related to this observation, recent studies by scholars such as Groves (2017) and Patidar (2016) have found that businesses with a good succession plan and practical management capacities tend to perform better.

Secondly, the dialectical relationship between the overall business sustainability, general performance and leadership succession planning of family-owned business is not well known. Accordingly, but not specific to the South African context, Patidar (2016) argued that few studies focus on the relationship between succession planning and financial performance of family-owned business enterprises.

Barrett (2016), also pointed out that the majority of family businesses rarely survive beyond the death of the founding family member. Also available but lacking explanatory depth are statistics and rates of failures associated with family-owned businesses, globally and locally in South Africa.

The majority of family businesses make use of a trusted advisor when going through the process of leadership succession planning; however, research concerning the trusted advisors in the process of leadership succession planning is still lacking as well (Michel and Kammerlander, 2015).

Several other studies have also highlighted the interplay of a range of different factors that ensure high organisational sustainability and financial performance of small-scale enterprises, but none has dwelt adequately with the role of effective leadership succession planning (Mahomed & Mtembu, 2018, Farrington, 2009; Ip & Jacobs, 2006).

Other studies conducted in South Africa such as Pila, Schultz and Dachapalli (2016), focused on the factors related to succession planning in government departments in Gauteng without focusing on the relationship between leadership succession planning, performance and sustainability of family businesses. Mohomed and Mtembu based their study on the identification and understanding of the experiences of succession planning in Indian family businesses in South Africa without much focus on how leadership succession planning affects performance and sustainability of these businesses (Mohamed & Mtembu (2021).

Hence, this study was conceptualised to fill in the gap of knowledge which was still existing concerning the relationship between the business sustainability, leadership succession planning and the general performance of businesses owned by families using South Africa as a case.

### **1.3 AIM OF THE STUDY**

This study seeks to examine the relationship between leadership succession planning, business sustainability and general performance in businesses run and owned by families in South Africa with an ultimate view of developing a leadership succession planning model.

### **1.3.1 Objectives**

The following are the research objectives to be pursued in this study:

- To explore leadership succession planning and how the owners of the family businesses in South Africa understand it;
- To investigate how leadership succession planning contributes to better business performance and sustainability within family-owned businesses;
- To identify the factors affecting successful leadership succession planning in family-owned businesses in the South African context.
- To determine the relationships among the factors; and
- To develop a model to enhance leadership succession planning in family-owned businesses within South Africa.

## **1.4 MAIN RESEARCH QUESTION**

What will be the model of leadership succession planning that will enhance the performance and sustainability of family-owned businesses?

### **1.4.1 Sub-Research Questions**

- What is leadership succession planning, and how do the owners of family-owned businesses in South Africa understand it?
- In what ways does leadership succession planning contribute to better business performance and sustainability within family-owned businesses?
- What are the factors affecting successful leadership succession planning in family-owned businesses in the South African context?
- What are the relationships among the factors?
- What are some of the practical guidelines that business owners should consider in leadership succession planning to enhance performance and sustainability within family-owned businesses?

## **1.5 RATIONALE**

Family-owned businesses are among the drivers of sustainable national economic growth in many parts of the world. According to Zellweger (2017); Patidar (2016) and

Poutziouris (2001), family businesses are well known for their being able to develop business management and leadership capabilities across generations, and to teach a sense of ownership, loyalty and long-term strategic commitment within family members. However, in the context of South Africa, adequate research to explore and understand how leadership succession planning influences the sustainability and success of such small-scale businesses is lacking.

Consequently, such limited knowledge makes one understand why there is no substantial leadership succession planning model, in the country. Relatively few research studies have tried to investigate this area empirically, and most of the previous studies have, as already mentioned earlier, tended to focus on comparative analysis between family and non-family businesses (Patidar, 2016; Chaganti & Schneer, 1994; Cohn, 1992, Daily & Dollinger, 1992).

Other studies conducted in South Africa, such as those of Van der Merwe and Farrington (2011) focused on exploring the influence of family values on the success and sustainability of family-owned businesses. Therefore, the rationale for conducting this study lies in its quest and intention to generate knowledge that will help us improve our understanding of how succession leadership planning enhances or hinders business sustainability and the general performance in businesses run and owned by families.

Ultimately this knowledge will be used to inform the development of a model to strengthen leadership succession planning across the entire division of medium-scale businesses in South Africa. Without such a model family-owned businesses may, as Patidar (2016) ultimately, argued, continue to decline.

## **1.6 SCOPE OF THE STUDY**

The researcher noted that the study was to be conducted in South Africa. One is of the notion that the developed leadership succession planning model will not be generalised across the globe. It will, however, be possible to apply it anywhere globally by modifying it to suit the context or environment.

## **1.7 STRUCTURE OF THE THESIS**

The structure of the thesis is composed of the following chapters

### **Chapter One**

Chapter One provides the reader with the research background, problem statement, the aim of the study, objectives, research questions, rationale and scope of the study.

### **Chapter Two**

In Chapter Two, the researcher presents a review of relevant literature required to gain an in-depth understanding of both theoretical and conceptual frameworks around leadership succession planning, and how it influences performance and sustainability of businesses owned by families.

### **Chapter Three**

Chapter Three presents a theoretic outline within which this study was conducted. The theoretical framework, provided the researcher with a lens through which to interpret and make meaning of the data generated in the course, regarding how leadership and succession influence performance and sustainability of a family-owned business.

### **Chapter Four**

In Chapter Four, the researcher provides a detailed discussion of the type of research paradigm, design framework and data collections methods used to carry out this study.

### **Chapter Five**

Chapter Five focuses explicitly on the presentation and discussion of quantitative data as it relates to the research questions asked in this study.

### **Chapter Six**

Chapter Six presents the data generated through the 15 interviews which were then used to interpret and make sense of the emerging themes and how they related to leadership succession planning, performance and business sustainability.

## **Chapter Seven**

Chapter Seven provides a reflection and emerging knowledge insights based on the findings of this study.

### **1.8 SUMMARY**

Chapter One has presented the introduction and background to the study, problem statement, aim of the study, objectives, main research questions, sub-research questions, rationale, scope of the study and structure of the thesis. The next chapter presents literature review pertaining to the study.

## **CHAPTER TWO: REVIEW OF LITERATURE PERTAINING TO THE STUDY**

### **2.1 INTRODUCTION**

In Chapter Two, the researcher presents a review of relevant literature required to gain an in-depth understanding of both theoretical and conceptual frameworks around leadership succession planning, and how it influences performance and sustainability of businesses owned by families. In developing this literature review, the researcher has drawn from a range of scholarly books, journal articles and research reports relevant to the aim and objective of this study. The chapter starts by first describing the meaning of leadership succession planning as defined by other researchers and or scholars.

A discussion of commonly used approaches and models in managing leadership succession planning follows. Chapter Two further presents an analysis of the theory of what constitutes a family-owned business, including an explanation of the role that these businesses play in the social and economic development of South Africa. The chapter outlines some of the characteristics of family-owned companies that have a bearing on how leadership succession operates. The chapter also discusses the challenges associated with successful leadership succession planning among businesses owned and run by families.

Lastly, the chapter puts forward some possible guidelines for ensuring successful leadership succession planning.

### **2.2 HOW IS LEADERSHIP SUCCESSION PLANNING DESCRIBED AND UNDERSTOOD?**

Leadership succession planning is defined in many ways as both a process and a concept. However, there is also a lot of vagueness and confusion about what leadership succession planning is and what it is not about. Leadership succession planning in this study is interchangeable with just succession planning, since the term succession planning embeds an element of transferring leadership from one generation to another and many scholars implicitly work with this term. Table 2.1 below gives definitions of leadership succession planning as observed by researchers.



*Table 2.1: Summary of concepts of leadership succession planning*

Sharma, Chrisman, Pablo, & Chua, 2001	A procedure that involves handing over leadership responsibilities and executive power to another family-owned firm emanating from the owner of the business
King, 2005	Putting processes in place to replace critical staff where losses have been experienced and or to capacity build is what leadership succession planning aims to achieve
Walsh, 2011	Procedure that involves the transfer of managerial oversight and ownership of the business from one generation of a member of the family to the next generation of a family member. within the transition of ownership capital business assets should be embedded during the process of succession
Coffman, 2014	Succession planning also means the transfer of associated leadership responsibilities and roles as well as ownership across different generations of family members
Mathews & Blumentritt, 2015	Succession planning is a multi-dimensional and a multifaceted process with consequential effects determined by philosophical aspects which include beliefs of the person involved, interrelationships and value systems in addition to rational decision-making, economic or business logic
Perret, 2016	Any effort made to ensure that effective general performance is maintained by making careful provisions for strategic replacement of crucial individuals over time and capacity development within the business firms
Perret, 2016	Putting processes in place to replace critical staff where losses have been experienced

	and or to capacity build is what leadership succession planning aims to achieve
Pila, Schultz and Dachapalli, 2016	Systematic process which involves identification of the potential successor, developing the identified successor, preparing the identified successor as well as employee retention within the organisation for both current leadership positions and future leadership positions
Grove, 2017	Systematically managed effort by an organisation or institution to heighten opportunities for leadership continuity, in critically relevant managerial positions and operational positions and it is carefully thought out
Ramseur <i>et al</i> , 2018	Procedures required for legal and financial consideration, sustainability exit, intergenerational leadership transfer as well as psychological aspects,

Thus, the researcher has drawn on a variety of the definitions which different scholars have put forward. This realisation made the researcher come up with a working conceptual framework of what leadership succession planning entails in this study. The researcher has broadly conceptualised leadership succession planning in a way that takes into consideration its intricacies as both a process and a concept by working with a conceptual framework.

Sharma *et al.* (2001) emphasised that for leadership succession planning to take place in businesses owned and operated by families, three things must be considered and be in place.

- The first one is the willingness of the leader to hand over his or her leadership responsibilities and roles.
- The second is to consider the need to have a family member interested in taking up the leadership.

- The third is spelling out a framework within which the succession transfer should take place.

The definition of succession planning given by Sharma *et al.* (2001) entails that effective leadership succession planning is indeed one with multiple dimensions and not a once-off and linear event as it can be expected.

According to Grove (2017) drawing on Patidar (2016) and Rothwell (2010), leadership succession planning is a carefully thought out systematically managed effort by an organisation or institution to heighten opportunities for leadership continuity in critically relevant managerial positions including operational positions. Of interest to this study and important to note is the way in which the scholars have emphasised the issue of careful thinking and the involvement of improved performance and sustainability of an organisation during the process of leadership succession planning.

On another note, putting processes in place to replace critical staff where losses have been experienced and or to build capacity is what leadership succession planning aims to achieve (Perret, 2016 and King, 2005). Of interest to this study and as highlighted by Perret, (2016) and King (2005) is the interplay among leadership succession planning, business sustainability and general performance of a business enterprise. This forms a central focus of this study as articulated in Chapter One.

Rothwell (2010) in tandem with Perret, (2016) describes succession planning as any effort made to ensure that effective general performance is maintained by making careful provisions for strategic replacement of critical individuals over time and capacity development within the business firms. Consequently, the reason for having effective leadership succession planning has been highlighted again as enhancing the general performance within a given business firm such as a family-owned business.

Sharma *et al.* (2001) perceive leadership succession planning as a procedure that involves handing over leadership responsibilities and executive power to another family member emanating from the owner of the business. This definition resonates well with ownership succession which implies that power and control in family businesses should be distributed among family members (Sundaram, 2019). Sharma *et al.* (2001) further noted that the exchange of leadership might not necessarily be of the same family but may also be within the extended family. Succession planning can

also involve transfer of managerial oversight and ownership of the business from one generation of a member family to the next generation (Coffman, 2014; Walsh, 2011). Furthermore, capital business assets should also be taken into account in the process of succession (Walsh, 2011).

Important to note is the role that members play during succession planning such as guiding and influencing both the process of transfer of ownership and succession. Leadership succession planning, therefore, includes some other dimensions such as procedures required for legal and financial consideration, sustainability exit, intergenerational leadership transfer as well as psychological aspects (Ramseur, Fuchs, Edwards & Humphreys, 2018). Similarly, Sundaram, 2019, also mentioned that the continuation of family leadership in family businesses influences concentration and the main competences as one generation imparts particular knowledge, values and tradition to the next generation. Therefore, family businesses are very mindful of the fact that, for the business to be successful, it requires strong leaders and skilled workers either family or outsiders (Sundaram, 2019).

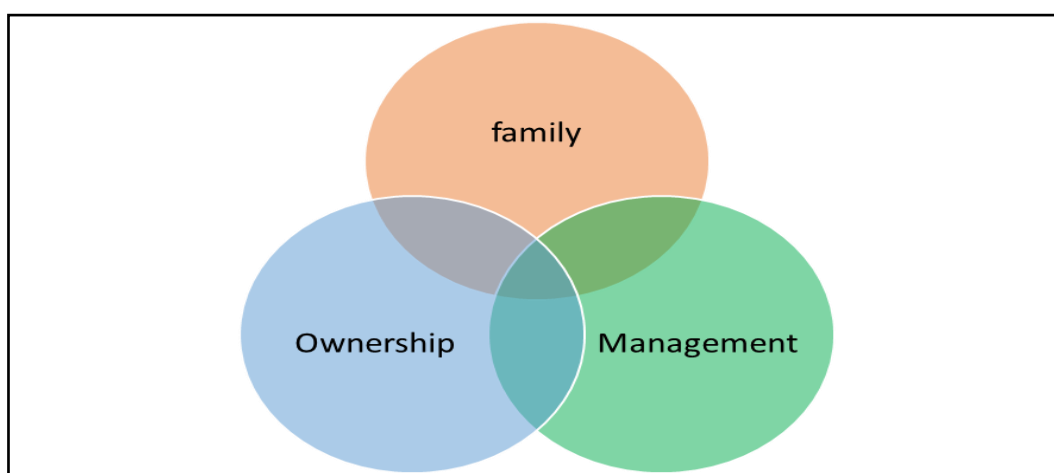
Succession planning is described by Mathews and Blumentritt, (2015) as a multi-dimensional and a multifaceted process with consequential effects determined by philosophical aspects which include beliefs of the person involved, interrelationships and value systems in addition to rational decision-making, economic or business logic. Further, Pila *et al*, (2016) describe succession planning as systematic process which involves identification of the potential successor, training and mentoring as well as employee retention within the organisation for both current leadership positions and future leadership positions

Thus, the complexity of leadership succession planning is indeed confirmed, and this may be very useful for this study, especially when making sense of data and analysing it. The researcher, therefore, worked with a broader conception of succession planning in this study, which symbolises both practices and processes constituting the transfer of executive power and leadership within businesses run and operated by families from one generation to the next generation. This includes reasons for shaping and motivating transfer, business sustainability and general performance.

## 2.3 APPROACHES TO LEADERSHIP SUCCESSION PLANNING OR MODELS

Models of leadership succession planning have evolved as a result of current insights and research. In this study, the researcher considered three models, namely 1) Dimensions of leadership succession; 2) Model of success for family business succession; 3) The Three-Cycle model. Strategies are sometimes considered to be the family's best business practices. These strategies are external expertise and effectiveness versus succession satisfaction and are discussed in section 2.3.1 and section 2.3.2 respectively. The dimensions of leadership succession are discussed below while the Model of success for family business succession and the Three-Cycle model are also discussed under section 2.3.2.

Notably, the researcher acknowledges succession planning as a multi-dimensional and a multifaceted process with consequential effects determined by philosophical aspects which include beliefs of the person involved, interrelationships and value systems in addition to rational decision-making, economic and business logic (Mathews & Blumentritt 2015). Furthermore, Mathews and Blumentritt (2015), observed that the principal measure for ensuring cohesion and peace among members of the family business as well as success regarding the process of succession involves understanding the tension that may emerge between potential successors. This include being able to arbitrate and account for related situations such as tendencies of decision makers who could be founders or board members.



*Figure 2.1: Dimensions of leadership succession  
Adapted from Mathews & Blumentritt, (2015)*

Figure 2.1 shows the dimensions of leadership succession based on game-theoretical model as proposed by Mathews and Blumentritt, (2015). The model puts emphasis on the interactions amongst family members involved with succession process. Within their model, succession is structured as an interaction between founding owner of the business and two possible contenders in the organisation that allows both progressive moves and first mover dynamics. Thus, in order to ensure harmony and success among the family members during the process of succession, accounting for circumstantial conditions such as predispositions of decision makers in understanding the competition that may arise among the possible nominees is essential (Mathews and Blumentritt, 2015). Mathews and Blumentritt, (2015), further acknowledged that, the actual decision-making process concerning succession in reality tends to be more complicated than their theoretical model.

Section 2.3.1 and section 2.3.2 discuss the two strategies as multifaceted family-owned leadership succession planning.

### **2.3.1 External Expertise**

It has been observed from studies that ensuring effective leadership succession planning is always problematic in family-owned business (Mohamed & Mtembu, 2021; Coffman, 2014; Dyer, 2006; and Sharma *et al.*, 2001). As will be discussed in Section 2.6, some of the problems include contradictory values and goals, family expectations and unwillingness to plan. In addressing these problems, family-owned businesses opt to engage and seek practitioners such as chartered accountants, legal practitioners, insurance agents and bankers (Strike, 2012, cited in Michel, Kammerlander and Strike, 2020). Normally, most practitioners are knowledgeable about company setups and management of family businesses (Michel *et al.*, 2020). Hence, they are able to provide the necessary assistance during the process of leadership succession planning. Another point to highlight concerns the expectation of independence or neutrality of the external advisors in family-owned business with respect to the future owner as well as the existing owner. It is their neutrality that helps the family business practitioners to be accepted with trust by concerned families (Michel *et al.*, 2020). Use of external practitioners has been found to be very common in family-owned businesses that are doing well across the globe (Mathews & Blumentritt, 2015; Strike, 2012)

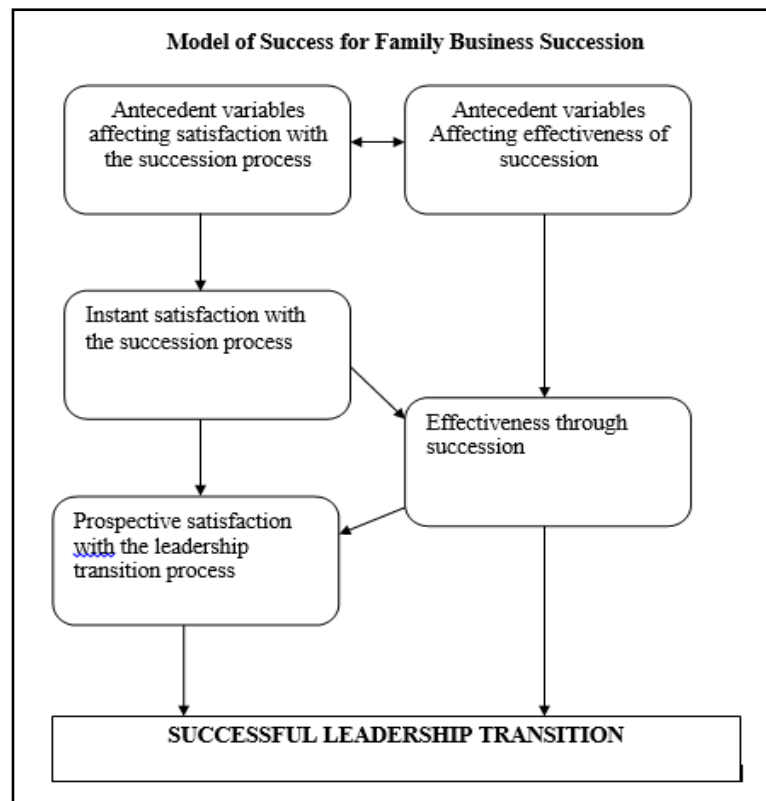
Thus, the family business practitioner is gifted in counterbalancing the frequent rival interests of diverse dimensions of the process of leadership succession planning because of their neutrality, as pointed out by one school of thought (Mathews & Blumentritt, 2015). It, therefore, implies that the process of succession planning must be approached in such a way that considers the performance dimensions, ownership and business sustainability within the businesses owned and managed by families.

Failure to consider the performance dimensions, ownership and business sustainability during the process of succession planning within family-owned businesses may result in the collapse of the family business (Mathews & Blumentritt, 2015).

### **2.3.2 Effectiveness versus succession satisfaction**

Effectiveness versus succession satisfaction is about finding the balance between two dialectical interaction aspects which leads to successful management and leadership planning (Sharma *et al.*, 2001; Morris, Williams, Allen & Avilla, 1997). The first aspect implies considering whether the family members are being satisfied with how the process of succession is being done. It is deemed to be subjective in the sense that it fundamentally implies that the process of succession planning and the decision concerning the selection of the new leader are based on personal opinions (Sharma *et al.*, 2001).

Effectiveness is considered as the second aspect. It focusses on how the process of succession planning ultimately impacts on the business sustainability and the general performance of businesses owned and managed by families (Sharma *et al.* 2001). Another essential point to consider is that the outcome effect of the process of succession leadership planning in respect to the general performance in family-owned businesses is effectiveness. Thus, this measurement becomes more critical, given the focus of this study that aims to gain an in-depth understanding of how effective succession planning affects business sustainability and general performance. Figure 2.2 below shows a representation of the effectiveness versus succession satisfaction as proposed by Sharma *et al.*, (2001: 20)



*Figure 2.2: Model of success for family business succession*

*Adapted from Sharma, Chrisman, Pablo and Chua (2001:20)*

This model illustrates the five most important factors that shape and influence satisfaction within businesses owned and managed by families during the initial stages of succession.

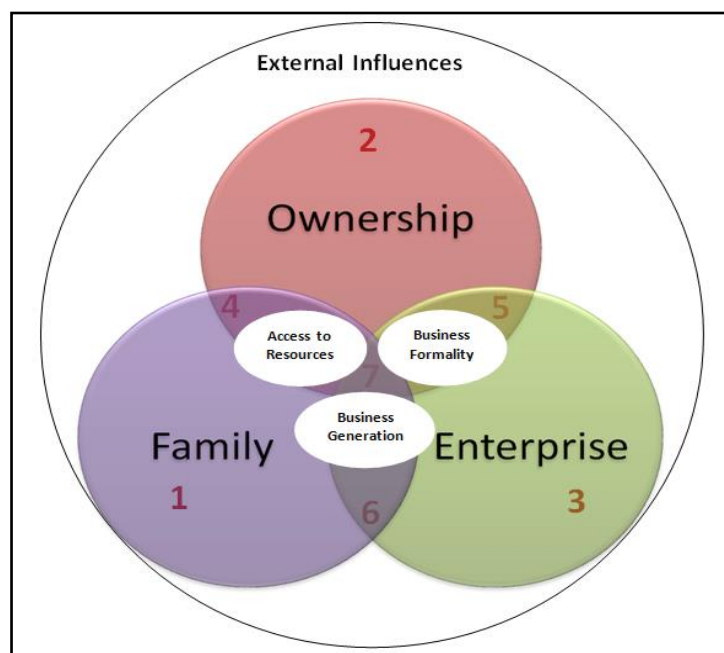
Thus, successful leadership transition includes the tendency whereby the incumbent steps down, followed by a trend where the descendant willingly agrees to take over the family business. Then after that, a process of succession planning will be followed with an agreement to continue running the business and lastly; there must be acceptance of the roles of the members by the whole family involved (Sharma *et al.*, 2001:20).

The dialectical interplay between the dimensions of having a transition leadership plan that is successful requires a conceptual claim. Elements of not being satisfied with how leadership change is done can result in family battles especially if they are not appropriately mediated, and they can eventually make the transition of leadership unsuccessful. Additionally, most of the members of the family will feel dissatisfied when they experience such type of situation.



Accordingly, Cho, Okuboyejo and Dickson (2017) point out that care and attention should be accorded as a way of making sure that all the members of the family are pleased with the way transition of leadership is done from one generation to the next generation. Failure to do that will result in a high risk of business sustainability itself. In addition, a study, conducted by Michel and Kammerlander (2015) concluded that unearthing and alleviating emotions can speed up the process of succession planning. In this case, mediation and role adjustment were considered as the boosters to the individual level of satisfaction during the process of leadership succession (Michel et al, 2019)

The link between effectiveness and satisfaction is also shown in this representation. This is arguably because the satisfaction is a precursor to effectiveness since insights on business performance are developed beforehand under the new leadership (Malone, 1989; Morris *et al.*, 1997). Tagiuri and Davies (1982) developed a third model of leadership succession planning known as the three-circle model, and this is represented in figure 2.3 below:



*Figure 2.3: The three-circle model  
Adapted from Tagiuri and Davis (1982)*

The three-cycle model draws from the family system theory. It is based on the iterative and interactional interplay among the owner of the business, the family and the

business establishment. Hence, three-cycle model entails that transition in family-owned businesses is neither a static one nor a once-off thing.

Tagiuri and Davis (1982) further argued that the interactions among the business, the owners of the business and the families are considered as the products of succession leadership planning. This is consistent with Chrisman, Chua, Sharma and Yoder, (2009), who state that leadership succession planning is perceived as continuous and circular. That is why it is impossible to see the ending point on the three-circle model. Another critical point to note is that management and the circles of ownership are common to all types of businesses. Hence, it can also be observed that the family circle representing the family is different from the other forms of organisations because of its uniqueness (Davis & Harveston, 1998).

Furthermore, the three-circle model demonstrates that the sustainability and the general performance within family-owned enterprises result from the effectiveness of how the members of the family support one another, especially during the period of leadership succession and across different dimensions. It also confirms the complexity of leadership succession planning as observed by Theus (2019) and Adedayo, Olanipekun and Ojo (2016). This point is very focal to this study, given its focus and orientation.

Given the broader conception of leadership succession planning, as multi-dimensional, and its acknowledgement of the link among succession leadership planning and business sustainability and general performance of businesses owned and managed by families, the three-circle model was used as the underpinning theoretical framework for this study.

This model provided a theoretical lens through which the researcher made meaning of the data. It helped the researcher in discussing the emerging research findings based on the study research questions. Notably, including how the transition of leadership contributes to the performance and sustainability of businesses owned and managed by families and explaining the factors that shape and influence leadership succession planning.

However, because the researcher is alerted to some of the critiques of the three-circle model, she also drew from the other theoretical frameworks that are discussed in this

chapter. For instance, Cho, *et al.*, (2017) noted that the three-circle model does not assist in the decision-making process apart from just demonstrating an understanding of interactions with the business. This motivated the need to draw on other theoretical models, for example Sharma, *et al.*'s (2001) model of "Succession satisfaction vs Effectiveness" in which even the factors affecting leadership succession planning are made more explicit. In section 2.4 the researcher discusses the major role that the family businesses play in our economies and what they are.

## **2.4 THE ROLE OF FAMILY-OWNED BUSINESSES AND WHAT THEY ARE**

There is appreciation and an increase of interest in the role that businesses owned and managed by families do in supporting economic development. This was an observation by Sharma *et al.* (2001: 18) based on the American context. It was found that the economic value addition by family businesses is only coming to be known and can be undeniably considered as a contributor to the world economy.

Different scholars have also shown efforts to possibly characterise what family-owned businesses are and how well they can be defined. Further, it has also been observed that 70% to 90% of the total GDP in the world comes from family-owned businesses (Cho, Okuboyejo & Dickson, 2017; Shevel, 2014). In fact, Basco (2015) classifies family businesses as the most common forms of business owners around the world and therefore considered family businesses as a widespread phenomenon. A study by Poza and Daugherty (2013) shows that a total of 96% of the businesses in the United States of America are known as a family-owned business and contribute a total of 49% towards the country's GDP.

Similarly, South Africa about 80% of businesses are owned and controlled by families (Van der Merwe, Venter & Ellis, 2009). Additionally, these businesses which are run and managed by family members in South Africa contribute 30% towards the country's GDP and employ a workforce close to 60% (Thabetha, 2005 cited in Tanzwani, 2010).

Family businesses in South Africa are categorised as small or medium enterprises based on their sizes (Van der Merwe *et al.*, 2009). They contribute significantly to South Africa's socio-economic development in areas such as the creation of economic wealth and also creating employment opportunities (Venter & Boshoff, 2007).

Important to note and applicable to this study is that the meaning of family-owned business is certainly not the universal. The classification of family-owned businesses is unusually diverse, and that family-owned business differ in the sense that they have unique features, different historical origins and distinct culture of operation (Neubauer (2003: 270). Section 2.5 conceptualises family business as described by various scholars.

## **2.5 CONCEPTUAL FRAMING OF A FAMILY-OWNED BUSINESS**

Steiger, Duller and Hiebl (2015) observed complexities regarding the definitions of family-owned businesses and found that researchers often criticise themselves for failing to develop a commonly acknowledged description of what a family business entails.

Hence, research studies like this one produce conflicting results and tend to be non-comparable and problematic due to lack of clarity and exact meaning on matters related to family-owned business.

The researcher thus made an effort to provide a concise and clear conceptual framework of what is being considered as a family-owned business within this research study. The family-owned business is defined by Neubauer (2003: 270), as a business entity that provides other services in a particular area in which the majority of employees are members of a given family or a business entity comprising family members as employees who are capable of producing goods for sell. Family-owned business firms have over time evolved to include the extent of how the business itself is influenced by members of the family (Trefelik 1997, cited in Neubauer, 2003).

Many researchers define family-owned business as any type of commercial trade within which people from the same household are lodged by the functioning business decision made within the business entity (Brockhaus, 2004). He further regarded a business owned and managed by the family as one comprising intergenerational roles and management functions (Brockhaus, 2004). According to him, this entails that the control functions and managerial activities are generally conveyed from one generation to the other. In situations where the firm is not wholly owned and controlled by a specific or single-family, at least 51% of the business shareholding must be

owned and managed by at least one family so that the business remains in the category of a family-owned enterprise.

Venter *et al.*, (2005) included facets such as intention as well as purpose in their reviewed notion of a family-owned business. A company-owned and managed by family members is a business entity which is owned and controlled by members of the same family aimed at shaping and pursuing the vision agreed upon concerning sustaining their business initiatives to hand over the same business to the future generation (Venter *et al.* 2005, p. 284).

Contrary to Venter *et al.*'s (2005) view on the conception of a family-owned business, Allouche and Amann, (2008 Cited in Cho *et al.*, 2017), describes a business owned and managed by family members as one that consists of members from a single or many family members. This can be through significant influence, ownership, and shareholding regarding the business managerial activities and how the business is being run. The importance of family ties in relation to inherent desire and leadership transition was highlighted as a way of making sure that there is a smooth transition to the future generation or next generation of the members of the family (Allouche & Amann, 2008, Cited in Cho *et al.*, 2017). Thus, this notion of businesses owned and managed by family members emphasises how important it is to understand and balance the economic sustainability and the objectives of the family.

What is very interesting to this research study is the focus on gaining an in-depth understanding of the relationship between leadership succession planning, business sustainability and general performance of the businesses owned and managed by families.

There are two conceptions regarding the meaning of family-owned enterprise as put forward by Dyer (2006), where he first perceives subjectively a business controlled and owned by a family as any business firm which is wholly controlled and owned by individuals from one specific family member and whose management as well as headship is basically in the hands of those members of the family.

Dyer (2006) further elaborated that in such type of business entity, non-family members do not take part in any managerial operations of the business because of the stringency within the ownership and management structures. In his second

conception, Dyer (2006) perceives the definition of a family-owned enterprise to be more objective and described it as a commercial entity or an enterprise which must meet specific criteria such as the total members of family holding strategic management positions and leadership positions or a certain percentage of shares that members of the family own in the business.

Poza and Daugherty (2013) presented a holistic concept of family-owned businesses. According to them, conceptualising family-owned business based on the family association as well as interest in handing over the same business entity to the future generation is problematic.

They further stated that family businesses are regarded as exceptional synthesis involving the following attributes:

- The business entity is controlled by members of the family who has higher shareholding or two or more or 15% shareholding;
- The members of the family who have the strategic power on leadership and issues of management; and
- Relationships concerning the members of the family are frequently of more concern.

In concurrence with this conception, Kiwia, *et al.*, (2020) observe that family-owned businesses refer to businesses whereby family members are actively involved in the management of the business and contribute to the business capital with the intention of transferring the business to the next generation.

Other scholars propose for a family business firm to involve two members of the family who must be fully engaged in the day-to-day operations of the business as well as managerial authority, including possessions of the same family firm. Similarly, Mahomed and Mtembu (2021) state that family-owned businesses entails a business whereby control and ownership of the business is within the founding members of the business and where the members of the family are directly engaged in the day-to-day activities with the main strategy of transferring the business to the next family generation.

The conceptual framework of family-owned business utilised by Coffman (2014) highlighted several factors defining family-owned businesses as businesses whereby two immediate members of the family work 40% on a full-time basis and that the business should be in operation for five years.

According to Coffman (2014), the conception of family-owned businesses also includes the decision-making powers and the voting rights of the family members involved in the business. Additionally, the size of the family businesses must be sufficient to meet all the needs of the members of the family concerned (Coffman, 2014). He further conceptualised family-owned businesses as businesses that are controlled and managed to achieve long-term strategic vision of the business firm. According to him, these types of businesses are frequently managed and owned by members belonging to the same family. An important observation in Coffman's definition is the sustainability within generations of families.

*Table 2.2: Summary of concepts for family-owned business*

Trefelik 1997, cited in Neubauer, 2003.	Family-owned businesses have over time, evolved to include the extent on how the business itself is influenced by members of the family
Neubauer, 2003.	A business entity that provides other services in a particular area in which the majority of employees are members of a given family or a business entity comprising family members as employees who are capable of producing goods for sell.
Brockhaus, 2004.	One comprising intergenerational roles and management functions
Venter <i>et al.</i> , 2005.	A company-owned and managed by family members as a business entity which is owned and controlled by members of the same family aimed at shaping and pursuing the vision agreed upon concerning sustaining their business initiatives to hand over the same business to the future generation

Dyer, 2006.	<p>There are two conceptions regarding the meaning of family-owned. Firstly, a business controlled and owned by a family as any business firm which is wholly controlled and owned by individuals from one specific family member and whose management as well headship is basically in the hands of those members of the family.</p> <p>Secondly, a commercial entity or an enterprise which must meet specific criteria such as the total members of family holding strategic management positions and leadership positions or a certain percentage of shares that members of the family own in the business</p>
Allouche & Amann, 2008.cited in Cho <i>et al.</i> , 2017	One that consists of members from a single or many family members. This can be through significant influence, ownership, and shareholding regarding the business managerial activities and how the business is being run
Poza and Daugherty, 2013.	Based on the family association as well as interest in handing over the same business entity, the future generation is problematic
Coffman, 2014.	Businesses whereby two immediate members of the family work 40% on a full-time basis and that the business should be in operation for five years. It also includes the decision-making powers and the voting rights of the family members involved in the industry. Additionally, the size of the family businesses must be sufficient enough to <i>meet all</i> the needs of the members of the family concerned
Cho <i>et al.</i> , 2017.	Businesses whereby two or more members of the same family share ownership and have an interest in the same business venture. All the operational processes, including the functions and controlling



	activities, lies within the members of the family in such type of business ventures
Kiwia, et, al., 2020.	Refers to businesses whereby family members are actively involved in the management of the business and contributes to the business capital with the intention of transferring the business to the next generation
Mahomed & Mtembu (2021)	A business whereby control and ownership of the business are within the founding members of the business and where the members of the family are directly engaged in the day-to-day activities with the main strategy of transferring the business to the next family generation

Table 2.2 shows a summary of definitions of family-owned businesses by different researchers.

In this study, the researcher has conceptualised a family-owned business as one that includes two or more members of the same family who share ownership and have an interest in the same business venture. All the operational processes, including the functions and controlling activities of the business venture lie within the members of the family.

The concepts of a family business and family-owned business are used interchangeably in this research study. The following section discusses some of the advantages of family businesses.

## **2.6 SOME OF THE ADVANTAGES OF FAMILY BUSINESSES**

Apart from meaningful contributions that family businesses make towards many countries' GDP, they are deemed to have comparative advantages in areas of fidelity or loyalty, legacy or inheritance, work of labour, patience or endurance, and intergenerational succession and relationship (Walsh, 2011). These are discussed in the sub-sections below:

### **2.6.1 Fidelity or loyalty**

The comparative advantage of family businesses can be demonstrated through caring nature, and the extent of loyalty or fidelity within the family members who are involved in the business venture (Deephouse & Jaskiewicz, 2013). As a result, a sense of collective action and commitment towards the business sustainability and success is built within the family business venture. Similarly, the fidelity aspect of family members can implicitly add more value in terms of cost saving by willingly or temporarily taking pay cuts (Deephouse and Jaskiewicz, 2013).

The notion of the family-first approach is also associated with the characteristics of loyalty (Cater and Young, 2016). Therefore, members of the family who focus more on the family cohesion will ensure business sustainability of the family venture rather than just focusing on the immediate economic gains (Cater and Young, 2016).

Thus, Stewart and Hitt (2012) asserted that most non-family-owned ventures operate on the business-first approach. Hence, it becomes impossible for them to experience a level of loyalty. However, on the other hand, the members of the family in the family business espouse the behavior of stewardship which is mainly driven by inherent stimulus based on taking care of the welfare of their respective family businesses (Gottschlck, Guenther and Kellermanns, 2020). Similarly, Neckebrouck, Schulze and Zellweger (2018) state that opportunism and individual related agentic behavior are displayed by family members in the businesses owned by families. Furthermore, in non-family businesses, the systems of the businesses are more comprehensive while the business systems in family businesses tends to be more exclusive. Usually, the members of the family remain the exclusive shareholders with substantial influence on the activities of the business (Gottschlck et al., 2020). Therefore, employees who are not family members tend to be more attached to the family business only and not to the family members of the family businesses (Gottschlck et al., 2020).

Davis and Hayes (2011) assert that fidelity embedded within businesses of the families decodes into the behaviour of stewardship which is regarded as a significant component of the competitive advantage of businesses owned by families. Similarly, since the members of the family businesses are profoundly entrenched in their businesses and sturdily identify with their businesses, the business system, and the

interest of the family members to the business tend to align naturally (Neckebrouck et al., 2018).

### **2.6.2 Legacy or inheritance**

It is argued that families with entrenched fidelity within their businesses offer enough room for the members of the family business to make exceptional contributions towards the expanding of their family business ventures to leave an inheritance for the future generation to take over and continue flourishing it.

Therefore, a sense of accomplishment linked with the inheritance left behind helps in explaining the reason why businesses owned by families outperforms other forms of business proprietorship including helping in developing a sense of intergenerational pride across members of the family (Walsh, 2011).

Likewise, members of the family businesses are naturally motivated to work harder towards the success of their family businesses to continue building on the business legacy that their forefathers left for them so that it becomes more successful (Cho *et al.*, 2017).

Therefore, the unique advantage that businesses owned by families enjoy unlike non-family ventures is the opportunity to build inheritance that one can leave behind to act as a strong motivation for the next generation.

An essential catalyst for the next generation requires members of the family to build on the successes of older generations to work harder so that they can take the business to greater heights and develop stewardship toward the companies that are owned and managed by families (Jaskiewicz, Heinrichs, Rau, Rea, 2016).

Significant teaching of business and personal values to the future generation is the most significant opportunity that the businesses owned by families get. It is also another advantage for family-owned enterprises which are not linked to the non-family business. A newly appointed family leader is likely to take pride in implementing what has been taught business-wise and maintaining their forefathers' cultural values by entrenching them in their daily work activities (Deephouse & Jaskiewicz, 2013).

### **2.6.3 Work of labour**

According to Deephouse and Jaskiewicz (2013), family members working in a family-owned business lack willingness and flexibility to take on different tasks of jobs as compared to the staff that is hired from outside the family business.

Furthermore, non-family members working in family businesses as key employees tend to enjoy working in such an environment because the characteristics within the environment of a family-owned business are less formal (Poza and Daugherty 2013). Thus, non-family key employees are treated as part of extended families after working within the family businesses for an extended period (Walsh 2011).

Concerning leadership succession planning, some studies have found out that family-owned businesses prefer recruiting from within their family cycle than recruiting outside the family cycles (Garg and Van Weele, 2012).

The reason behind this is that the sense of ownership stated above decodes into more commitment, accountability and responsibility of making sure that the family business firm is more sustainable and profitable (Calus and Van Huylenbroek, 2008).

### **2.6.4 Patience or endurance**

Stewart and Hitt (2012) point out that family-owned businesses exercise patience, and this makes it possible for them to align the use and mobilisation of resources bearing in mind their long-term strategic goals. The long-term strategic goals are regarded as a feature that makes family-owned businesses more sustainable than other types of businesses. Family cohesion and the norms of the family are regarded as the architects of the longer-term spectrum in family-owned businesses. Hence, they allow family-owned businesses to put more focus on profitable long-term projects.

### **2.6.5 Intergenerational succession and relationships**

The bonding that develops between the members of the family while working together towards achieving the common goal of the family business is considered as one of the greatest advantages for family-owned businesses (Deephouse and Jaskiewicz, 2013).

Further, family-owned businesses usually have a highly rewarding experience due to the opportunity they have of working with other family members toward achieving goals of the family business family (Deephouse and Jaskiewicz, 2013). Family bonding results in a good sense of belonging and cohesion among members of the family. Another important point to highlight is the importance of maintaining interrelationships of among members of the family because it promotes an enabling environment for appreciating each other's roles and responsibilities (Deephouse and Jaskiewicz, 2013).

The interrelationship among members of the family is ascribed to the smooth transition of leadership because of the embedded trust cultivated in its orientation which is required for handing over power to the future generation. Emotional and personal factors related to the bonding among members of the families in family businesses are regarded as determinants for the leadership transition process (Miller, Steier, and Le Breton-Miller 2005).

Regardless of these advantages, family-owned businesses face many challenges, and these are discussed in the next section.

## **2.7 CHALLENGES FACED IN FAMILY-OWNED BUSINESSES**

According to Jaskiewicz *et al.* (2016), some of the advantages of family-owned businesses can quickly develop into disadvantages if they are not appropriately managed. These disadvantages can cause negative effects such as conflicts, and irreversible tension between the members of the family in a family-owned business (Jaskiewicz *et al.*, 2016; De Massis, Chua, & Chrisman, 2008). The challenges that are commonly related to family-owned companies are divided into three main categories, namely contradictory values and goals, family expectations or anticipation and unwillingness or reluctant to plan. These are discussed in the next sub-sections.

### **2.7.1 Contradictory values and goals**

Intergenerational members of the family tend to have different sets of business values, different groups of personal values as well as pursuing the attainment of different goals (Walsh, 2011). These can be regarded as disadvantages and failure to address them

sufficiently can result in conflict and unnecessary stress among the members of the family in a family-owned business.

Further, intergenerational wrangles and sibling rivalries are often caused by differing personalities among members of the family within the family businesses (Walsh, 2011). Therefore, failure to address the personality differences adequately can constrain the growth of the business as well as negatively affect the expected harmony (Garg and Van Weele, 2012). Similarly, inconsistent family values and commercial goals are considered as another challenge impacting on family-owned businesses. Of interest to this study is the fact that family members within family-owned businesses tend to have different business values and goals. Interesting results emerged after analysis of the study findings.

### **2.7.2 Family expectations or anticipations**

The matter involving divergent expectations from a business that negatively impacts on family-owned companies is closely related to the challenge of having different business values and goals discussed in section 2.4. These family anticipations include ownership, duties assigned, employment, roles and authority to determine remuneration packages (Patidar, 2016). Failure to manage these different expectations adequately can result in conflicts and tensions which have a negative impact on running the business activities.

Walsh (2011) indicates that expectations of fairness are usually in conflict with the desire of treating each family member in the same way others are treated. Finding a balance between and amongst family members expectations to meet business expectations is not an easy task because work ethics also differ from one generation to the next. This is one aspect that also brought about interesting results from the study.

### **2.7.3 Unwillingness or reluctance to plan**

Leadership succession planning is not adequately planned for or managed well in many businesses owned and operated by families, as argued by many scholars (Mahomed & Mtembu, 2021; Bhardwaj, 2016; Michel & Kammerlander, 2015). Therefore, planning for leadership succession is still a major challenge facing family-

owned businesses. Failure to effectively plan for leadership succession can result into the collapsing of the family business. This is evident more in cases where the owner of the business exits but plans to retire or falls sick (Mahomed & Mtembu 2021; Grove, 2017).

There are also cases where key owners of family businesses do not want to share their thoughts about long-term business vision or talk about succession issues (Bhardwaj, 2016). This ends up in other members developing mistrust and discontent about succession issues (Bertschi-Michel, Kammerlander & Strike, 2019). Even though there is a lot of literature concerning this observation, the fear of articulating succession planning which later may result into unsuccessful leadership succession justifies further research especially in different business context and leadership generation. It is also important to note that challenges in family-owned businesses on leadership succession are caused by various reasons and factors.

## **2.8 FACTORS AFFECTING LEADERSHIP SUCCESSION PLANNING IN FAMILY-OWNED BUSINESSES**

According to Mishra and El-Osta (2007), there has been limited research and knowledge around the factors that directly influence intergenerational succession within family-owned business ventures. Mishra and El-Osta (2007: p3) further argue that those few studies that have been on this phenomenon “lacked rigorous economic analysis of factors influencing succession decisions”.

It is for this reason that this study given its research focus investigated factors that shape and influence the way leadership succession planning is done within a family-owned business. Based on available literature the following appeared to be some of the critical factors affecting leadership succession in general.

### **2.8.1 Level of education**

Levels of education in South Africa are broadly classified as elementary or primary, secondary and tertiary.

One of the factors that are now widely accepted as having a significant influence on the way leadership succession is conceived and managed amongst family business

is that of the level of education. Scotland (2010) and Haag (2012) both concurred that the possibility of having an effective succession plan is hugely determined by the level of education of the current owner.

Researchers such as Tweeten (1984) and Goddard, Weersink and Turvey (1993) also argue that the proprietor's educational level is an essential factor that shapes the intergenerational changes that take place within family-owned business establishments. Both went on to claim that the more educated the family, the higher the chances of having an effective succession plan for their business.

It is evident that leaders with high educational attainment can allocate resources, evaluate technology and process information effectively. Hence it is believed that more educated family members are readily acceptable in taking up leadership roles within family businesses.

### **2.8.2 Size of business**

The other factor affecting leadership succession planning in a family-owned business is the size of the business. In this study, the concept of size is broadly classified in terms of level of income and net assets.

A study done by Glauben, Tietje and Weiss (2004) showed that leadership succession is significantly affected by business traits such as size, type, and debts. These scholars further argued that family-owned businesses organised as sole traders are likely to have effective succession planning.

Glauben *et al.* (2004) concluded that chances of having a leadership succession plan rise about 4.4% when the small business is owned and run by one individual. It means that succession planning is much more common and more comfortable to plan and implement in a smaller family-owned business than in those that are bigger and organised as a private company.

### **2.8.3 Strong family values and cohesion**

Parents play a huge role in resolving conflicts and fostering unity among their children. This has a direct impact within the family business on how succession is done (Scotland, 2010; Rothwell, 2010; Phikiso and Tengeh, 2017). Hence, it is possible to



assume that positive leadership succession plan emphasises unity within families. Furthermore, succession planning can be achieved more easily by considering some of the characteristics of the family members, such as loyalty and values (Mishra & El-Osta 2007). Lack of business interest amongst family members especially from the incumbent successor is another obstacle to succession planning.

According to Carrigan and Buckley (2008), it becomes so difficult to discuss the possible inheritors by family members when cohesion, as well as family interest, is lacking. For succession planning to work better, it is advisable to discourage issues such as sibling and cousin rivalry. When dealing with such issues, a sense of purpose in terms of strategic direction and principles to represent the business identity is required to be propelled within the family for adoption (Netsianda, 2008).

#### **2.8.4 Effective leadership**

Another common factor affecting succession planning in a family business is the leadership style employed by the current owners (Gersick, Davis, Hampton and Lansberg, 1997). Haag (2012) pointed out how the complexity of succession planning demand can be when the current owners develop a vision of a future governance structure that is more inclusive than autocratic. When this happens, it means current owners of family business need to have a type of leadership that allows for other family members to be heard (Michel & Kammerlander, 2015)..

One of the advantages of having a leadership approach which allows members of the family to feel free and motivated to contribute ideas is the increased probability of effective succession (Ward, 2011).

Scotland (2010) talked of the notion of “plural leaders” referring to a kind of leadership in which a leadership team rather than a single leader is in charge of the management of the family business. In her study, Scotland (2010) concluded that this plural leadership approach has proven to be very useful in terms of succession amongst family business.

In the same line of argument, when decisions in businesses owned and run by families are a sole responsibility of one person and entails a yes or no it usually becomes very difficult to discuss or plan for leadership succession (Leach, Ball & Duncan. 2002).

Considering contradictory approaches to effective leadership styles as observed by researchers, it will be interesting to take note of how effective leadership is employed based on the focus of this study.

## **2.9 WHY IS LEADERSHIP SUCCESSION IMPORTANT FOR PERFORMANCE AND SUSTAINABILITY OF FAMILY-OWNED BUSINESSES?**

Previous studies have already confirmed the critical role that leadership succession planning play in enhancing the performance and sustainability of a family business. Similarly, these studies have also helped us understand the impact of the absence of effective leadership succession planning by pointing to the observed increased rates of failures amongst family-owned businesses across the world.

In the context of South Africa, it was observed that although family businesses are considered as one of the highest contributors to employment and wealth creation in the country, the lack of sustainability is worrisome. This has been linked to leadership succession planning across generations (Gomba, 2014).

A thorough analysis on leadership succession planning challenges within family businesses shows that about 66% of business ventures collapse in the course of leadership transition to the next generation, while in the third generation only a mere 15% make it (Williams, Zorn, Crook & Combs, 2013). However, the emerging challenge on family businesses that relate to the impact on the business sustainability and general performance has not been researched adequately (Deephouse & Jaskiewicz, 2013).

In line with this, the findings in a study conducted in Kenya indicate that lack of practical understanding of leadership succession planning resulted in implementing weak succession plans was common in small-scale businesses in Kenya (Price water Coopers, 2011).

It is, in general, widely acknowledged that effective leadership succession planning does contribute to improved performance and sustainability of family-owned business enterprises. In this study, the researcher seeks to confirm this knowledge claim by drawing on empirical evidence in the case of South Africa.

According to Diwisch, Voithofer & Weiss (2009), leaders who are prepared and willingly ready to mentor their inheritors before retiring are certainly encouraged to develop a family business enterprise known as succession. Therefore, given the nature of this study, this observation will help the researcher understand how leadership succession planning contributes to business sustainably and the general performance of a family-owned business.

Further, scholars such as Sharma, Chrisman, and Chua (2003); Jones, Deckers, Strand, Bissmeyer, Bowman and Mathe (2017) and Ward (2011), have concluded that having a planned leadership succession promotes accord and inspires members of the family to become dedicated and sustain the business of the family.

Saxen (2013) explained how effective succession planning influences sustainability and general performance of the business enterprises owned by families. He further argued that disputes among family members which result from the absence of succession planning led to failures of family businesses in India. Interpreting Saxen's (2013) work properly thus shows how succession leadership planning improves the sustainability and general performance of companies owned by families by reducing conflicts amongst family members and across generations.

Correspondingly, the finding in a study conducted in Nigeria indicated that approximately 17% of businesses owned by families made it to the second generation due to the reason that they were in existence for 25 years. Furthermore, only a mere 7% of the businesses owned by families were found to have survived into the third generation, and they were 50 years old (Cho *et al.* (2017).

Important to note for this study is that Cho *et al.* (2017) linked the observed low levels of sustainability to the failure of many family-owned businesses to come up with effective leadership succession planning. Cho *et al.* (2017), also observed that about 40% of businesses owned by families failed after five years; approximately 60% lost control in the first generation. Only a mere 13% made it to the third generation (Sharma and Dave, 2013). Therefore, the failure rate in a family-owned business is attributed to poor leadership in succession planning. Again, it becomes clear that succession planning is, therefore, vital because it assists in ensuring the sustainability of businesses owned by families (Cho *et al.*, 2017).

In general, it is therefore quite clear that the interplay among leadership succession planning, business sustainability and general performance has been somehow researched and established. However, there still seems to be a knowledge gap, which this study seeks to cover, in terms of establishing empirical evidence to determine ways in which leadership succession planning contributes to improved performance and sustainability of a family-owned business.

Consequently, this research study explored interesting observations on the interplay among leadership succession planning, business sustainability and general performance of the family-owned businesses. In addition, the researcher reviewed previous studies on family-owned businesses including other available literature to find out why effective leadership succession planning becomes critical for sustainability and general performance of family-owned businesses.

## **2.10 INDICATORS FOR MEASURING PERFORMANCE**

Given the focus of this study and its interest on exploring the relationship between leadership succession and performance, it is essential that this chapter also provides an overview of what performance means and the indicator frameworks used to determine how well the family-owned business enterprises are doing.

In general, the word performance is commonly used to measure how well a process or strategy attains its intended objectives. Similarly, in this study, the word performance entails a measure of how well the family-owned business venture is doing. It also implies how well the same family business is managed, and the value that it offers to its clients and shareholders (Ankrah & Mensah, 2015; Moullin, 2003)

Two important financial indicators for family-owned business performance include “profit” which entails a measure of return on capital employed, and “profit margin” referring to the magnitude of return on capital employed (Ankrah & Mensah, 2015).

Accordingly, on one hand profit is often thought of as the difference between total revenue and total expenses incurred by the business. On the other hand, profit margin is usually measured as a percentage illustrative of how much a business keeps out of the sales that it generates (Ankrah & Mensah, 2015; Hunt, 2013; Stavrou, 1999). The two give a picture of business’s profitability and thus, its overall performance.

The above two indicators are already widely used to assess business performance as it relates to profitability and sustainability (Hunt, 2013; Goldberg, 1996; Seymour, 1993). However, research has also shown that measuring the performance and determining the sustainability of a business enterprise based on solely its profit and margin is not without its shortfalls (Ankrah & Mensah, 2015).

Kennerley and Neely (2002) cited in Ankrah and Mensah (2015) argued that the complexity of the economic environment in which business operates requires more than just the use of historical financial data to determine how well and sustainable a business venture is doing. This is because, as Ankrah and Mensah (2015) went on to claim, financial indicators such as profit and margin do not give a full perspective of the shareholder value and therefore do not show the linkages between financial and non-financial metrics of business performance (Kaplan & Norton, 1992).

Researchers such as Maduekwe and Kamala (2016) and Matsotso and Benedict (2014) have also argued that the high failure rate of small businesses such as those owned by families is ascribed to their use of inadequate performance measures. The researchers claimed that often small companies over-rely on financial metrics of performance at the expense of non-financial ones, which Ankrah and Mensah (2015) argue are the real drivers of business value and sustainability. For this reason, the study will also draw on several other indicator frameworks.

In addition to the two financial indicators proposed above, the study also used one more performance measurement indicator framework known as the balanced scorecard. The balanced scorecard is arguably one of the most well known and used business performance measurement frameworks (Ankrah & Mensah 2015; Mels, 2010; Chavan, 2009).

Its main advantage is that it integrates non-financial metrics such as results on customer satisfaction, internal control processes, and business improvement planning activities. It also includes leadership succession attributes to give a better picture of how well a business is financially doing (Kaplan and Norton, 1992).

According to Ankrah and Mensah (2015), drawing on work done by Chavan, (2009) and Mels (2010), the performance of a business venture should be looked at from four angles that can easily be represented in a balanced score card. These are customer

perceptions, financial aspects, internal control processes and innovation and learning perspective. Figure 2.4 below represents the Balanced scorecard performance framework.

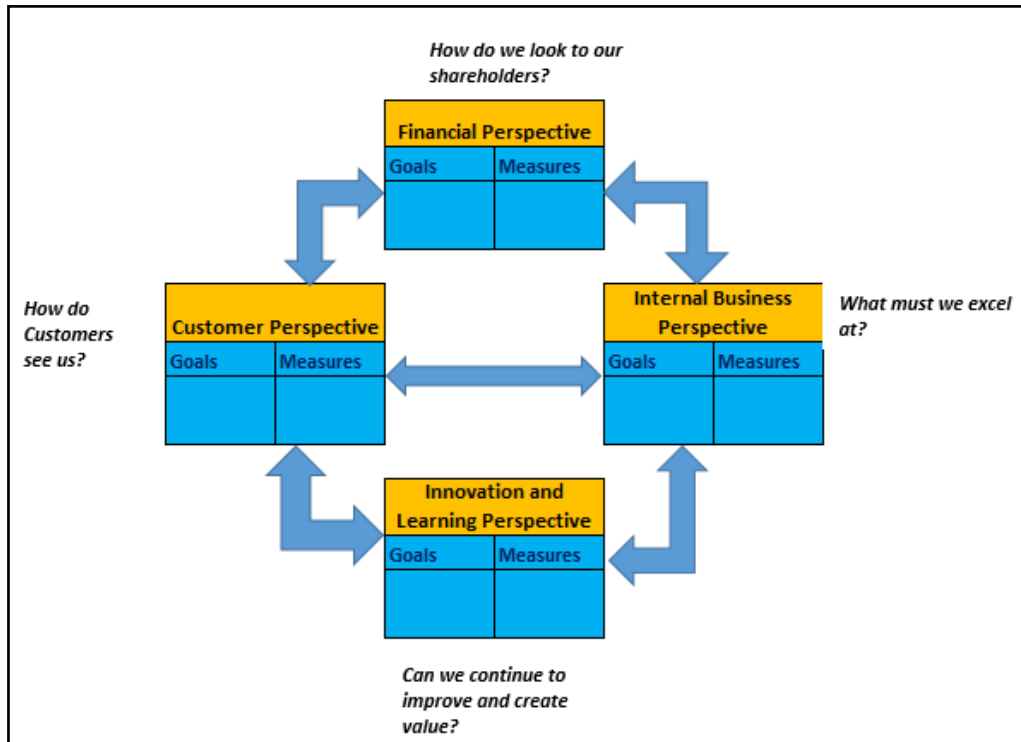


Figure 2.4: *Balanced scorecard performance framework*  
 From Kaplan and Norton (1992)

As already alluded to the researcher made sure that more than one performance indicator framework is used to determine how well the involved family business ventures were doing. The measure of performance, as articulated in the frameworks discussed above, also entails a determination of how sustainable the same family businesses are or likely to be, given the changing South African economic environment.

## 2.11 LEADERSHIP SUCCESSION PLANNING IN OTHER COUNTRIES

In most countries, family businesses are extremely susceptible to intergenerational succession and contribute largely to their GDPs. For example, the most prolific contributors to the Indian economy are family-owned businesses. Moreover, statistics show that businesses owned by families contribute towards the GDP in the following way by countries: Italy 94%, Pakistan 80%, India 79%, the Middle East 75%, United

States 63%, Germany 57%, Brazil 50%, and United Kingdom 25% (Ahmad, Imran, Siddique, Khan, 2018).

Jain and Jain, (2014), state that succession planning is regarded as an essential factor for the success of the business in any country. However, the extent of succession leadership planning varies with the size of the family business. Thus one of the determinants of the importance of succession planning in any family business is the business owner (Jain & Jain, 2014).

According to Ramachandran and Navneet (2012), leadership succession planning is still a big issue affecting family businesses in India. There is evidence regarding the business owner's cases and leadership transition challenges confronting the family businesses in India (Ramachandran and Navneet, 2012). Furthermore, India is considered as a country that highly values intimate family relationships. Hence it provides a patriarchal and collectivist societal context which can affect the smooth leadership succession in family-owned businesses (Mendonca and Kanungo, 1996 cited in Kandade, Samara, Parada, and Dawson, 2019).

Interesting to this study is the research that was conducted by Kandade, *et al.*, (2019) in India concerning the development of high-quality relationships among family successors in family businesses. The study indicated the five key antecedents of relationships with high quality that allow the predecessors to develop relationships with non-family stakeholders and different family members. These five key antecedents are trust, mutual obligation, mentoring, mutual respect and early affiliation with the business (Kandade *et al.*, 2019).

Similarly, an interplay exists between preparation of the next generation successors with the development of high-quality relationships between the various stakeholders in the family and the successor (Bika, Rosa and Karakas 2019; Mokber *et al.*, 2017 and Steier, 2004 cited in Kandade, *et al.*, 2019.). An example was provided concerning the Managing Director and Vice Chairman of Apollo International Limited in India. He regarded himself as a successful leader due to the relationship that he built with his father and other family members as well as non-family stakeholders who provided support and guidance when he assumed the leadership responsibilities in their family business. (PwC, 2019; Steier, 2004, cited in Kandade, *et al.*, 2019).

Saxena (2013), further states that Indian people in business are suspected of planning their leadership succession process in their minds. As a result, their leadership succession process is informal, and they rarely put their plans in black and white (Sharma, 1994). Similarly, Kansal (2012) investigated the relationship between succession planning and retirement planning in family-owned businesses in India and the findings indicated that succession planning in Indian family businesses is a process that is typically unplanned and, in most cases, results in imperfect and unsuccessful leadership transitions.

There is always the issue of grooming the successor rather than finding one because the owners of the company predict that the successor will be chosen amongst the members of the family. Of interest to this study is how grooming a leader is done. Saxena (2013), observed that grooming entails involving the children when they are still young in the business by taking them to the office occasionally and introducing them slowly to the operation routine work of the industry. Such as picking up the shop floor cues, interacting with suppliers and meeting customers. Thus, exposing children earlier to the business life prepares and orients the successors to assume more significant responsibilities when their times come. (Saxena, 2013). Saxena (2013) further pointed out that succession in Indian business groups typically involves business splits and disputes whose effects go beyond the families concerned.

According to Haseeb, (2016, cited in Zeeshan, Muhammad, Meh-para, & Reema, 2018), nearly 50% to 70% of the businesses in Pakistan are owned by families. These businesses are major contributors to country's GDP and the largest source of the employment in Pakistan. The Medium Enterprise Development Authority reported that 3.2 million family businesses exist in Pakistan. Statistical information about Small Medium Enterprises (SMEs) shows that SMRS employ between 10 to 30 workers and their productive assets range from RS 2-20 million. SMEs also contribute nearly 40% of the total GDP (Government of Pakistan, 2016/17). Thus, the contribution of family businesses in Pakistan can never be without notice as the rest of the first world countries acknowledge its importance.

Research conducted by Zeeshan *et al* (2018) on the causes of lack of sustainability in a family-owned business in Pakistan highlighted variables such as succession planning, effective communication, trust and honesty as the leading causes of lack of



sustainability in family business entities. The study concluded that there was a need to have good conflict management in place in these family ventures. In addition, a more recent study by Bokhari, Muhammad, and Zakaria (2020) focusing on testing the impact of succession planning, strategic flexibility and organisational improvisation towards business sustainability in Pakistan revealed that succession planning is moderated by organisational improvisation and that succession planning has a direct association with sustainability of the business.

In Malaysia, performance of family businesses is significantly impacted cultural practices of which sustainability is highly attributed to family participation and ethnic networks managing the business practice (Mosbah, Serief, & Wahab, 2017). Family businesses in Malaysia also face many challenges of leadership succession such as unwillingness of the next generation successors to take over businesses (Zellweger, Nason & Nordqvist, 2012). This contributes to poor sustainability of family-own businesses. In a later study conducted by Wee Yu, Mohamed & Hasliza (2015), concerning various factors that shape family organisation performance in Malaysia, it was revealed that management styles, values, and beliefs, including relationships between family members significantly influenced business performance. The study also found that succession issues were partly linked to business performance.

In another study carried out by Mokhber, Gi Gi, Rasid, Vakilbashi, Zamil and Seng (2017), the factors with a positive effect on family businesses in Malaysia were highlighted. These were relationship between families and the preparation level of the successors. The latter being the main factor influencing family businesses in SMEs. The study also revealed that the successor's skills have a positive effect on the performance of the family business and should, therefore, be regarded as an essential factor in the selection process. In addition, it is also important to offer guidance and necessary training if specific requisite skills for the business lack in the successors (Lansberg and Astrachan, 1994).

Although family-owned businesses in South Africa and other parts of world are considered major contributors to countries GDPs, they have a leadership succession issue that directly affect their sustainability.

Table 2.3 shows a summary of some ground-breaking research articles on leadership succession planning.

*Table 2.3: Summary of ground-breaking research articles*

<b>Authors</b>	<b>Context</b>	<b>Findings</b>
Van der Merwe, Venter, E., and Farrington (2012)	Small and Medium-sized family businesses	most family business enterprises are faced with many challenges, such as lack of sustainability which mainly results from poor succession management, resulting from one generation to the next
Pindado and Requejo (2015)	Corporate governance	Although in the broader sense, succession planning as it relates to the performance and sustainability of family-owned businesses has already been widely researched leadership succession planning as one of its aspects and mainly how it influences business performance and sustainability is an area, which needs further research
Patidar (2016).	hospitals' financial performance	The dialectical relationship between leadership succession planning and the overall performance and sustainability of family-owned business enterprises is not well known. Minimal studies are focusing on the relationship between succession planning and financial implementation of family-owned business enterprises.
Barrett (2016)	Family businesses	Most family business enterprises rarely survive beyond the death of the founding family member. Also available but lacking explanatory depth are statistics and rates of failures associated with family-owned businesses, globally and locally in South Africa.

Grove (2017)	Health care organisations	Highlighted the extent to which failure to manage leadership succession planning can harm the sustainability and performance of small-scale family-owned business enterprises. It was found that businesses with a good succession plan and adequate management capacities tend to perform better
Farrington (2009)	Small and medium-sized family businesses	Several other studies have also highlighted the interplay of a range of different factors that ensure high organisational sustainability and financial performance of small-scale business enterprises, but none has dwelled adequately on the role of effective leadership succession planning
Bertschi-Michel <i>et al.</i> (2019)	Family-owned businesses succession cases	Speedy improvement is realised during succession when the incumbent emotions are detected and put at ease.  The level of satisfaction in the individual is mainly achieved by adjusting the role and emotional mediation
Michel and Kammerlander (2015)	Extensive literature review	Research concerning the trusted advisors' role in the process of succession is still lacking  Majority of Family-owned businesses make use of the trusted advisor when going through the process of succession planning.  The process of succession tends to be more successful when engaging with an expert who is not biased

Long and Chrisman (2014)	130 participants from 109 businesses owned by families	<p>The relationship between the owner of the family business and the possible successor as well the commitment of the family members towards their business tends to have an impact on family cohesion and adaptability on leadership succession planning as well as the training needs of the possible successor.</p> <p>There are numerous aspects that intercede family relationships on administrative behaviour within the family-owned entities.</p>
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## 2.12 SUMMARY

Chapter Two has presented a conceptual meaning of what leadership succession planning is all about, as well as how it impacts the performance and sustainability of family-owned businesses. The chapter has also discussed in detail the contextual meaning of family-owned businesses in South African and other countries. Additionally, the chapter discussed and explored the current literature and discourses about how leadership succession planning is approached to ensure sustainability and profitability of family businesses across different generations. Chapter Two further addressed the importance of having a leadership succession planning in place and brought about insights emerging from this review to assist in providing recommendations/guidelines for effective leadership succession planning.

The literature review chapter is necessary for the researcher and readers of this work to think carefully about the design and structure of this study. Insights from the literature review assisted the researcher to make epistemologically sound decisions in terms of what method to use and how data collection protocols will be planned for and implemented. Chapter three will further discuss a theoretical outline within which this study was conducted.

## **CHAPTER THREE: THEORETICAL FRAMEWORK**

### **3.1 INTRODUCTION**

This chapter presents the theoretical outline within which this study was conducted. This theoretical framework, as is the case in many social science studies, provided the researcher with a lens through which to interpret and make meaning of the data generated during the study, regarding how leadership and succession influence performance and sustainability of a family-owned business.

According to Ibrahim, Soufani and Lam (2001), leadership succession planning can only be visible and appreciated when business organisations maintain redundancy within the management structure as a way of maximising the learning from retiring leaders.

Accordingly, and in practice, such leadership succession planning can be done by identifying and deploying a successful successor before the contemporary leader leaves the business organisation or his/her office. The identified successor is thus mentored and capacitated with skills required for him/her to carry out the duties of managing the business effectively when the founding leader leaves or retires from the family business.

Leadership succession theories are widely practised in business organisations, family-owned enterprises included (Long and Chrisman, 2014). According to Ibrahim *et al.* (2001), leadership succession is not an event that only follows after sudden retirement or death of the existing leader but a process that requires careful planning well in advance. The process of succession also addresses confusions and conflicts that usually happen when leadership transition is needed. It has also been claimed that business organisations that operate using leadership planning theories have tended to be better performing and more sustainable (Sharma *et al.* 2003; Juhdi, Pawan and Hansaram, 2013).

It is for this observation that the researcher saw the need to work with leadership succession theories, given their phenomenon on the relationship between leadership succession and the performance and sustainability of business organisations.

Through use of theories, it is possible for the researcher to understand and make sense of some of the responses to come from the interviews.

A theoretical framework thus is necessary when interpreting the data as well as making meaning of it objectively (Janse van Rensburg, 2001; Terre Blanche & Kelly, 1999). In its quest to present a comprehensive theoretical framework for this study, the chapter starts by discussing several theories around leadership succession planning, highlighting the tenets of each of them that can be used in this study.

The four theories discussed by the researcher in this study include the theory of common sense (Drucker, 1967; Grusky, 1963; Charan, 2005), the theory of vicious cycle (Grusky, 1960), the theory of scapegoating (Gamson and Scotch, 1964) and the theory of planned behaviour (Ajzen, 1985). Less significant theories to the study such as succession planning and management theory and resource-based view theory are briefly discussed.

Chapter Three then moves on to present the hybrid theoretical framework that informed the conduction of this study. This chapter is summative in its orientation, helping the reader to understand the theoretical lenses employed to realise data and themes emerging out of the study.

### **3.2 COMMON-SENSE THEORY OF LEADERSHIP SUCCESSION**

One of the broadest leadership succession theories is that of Peter Drucker's (1967) common-sense theory (Grusky, 1963; Charan, 2005). Peter Drucker is a well-recognised expert on organisational management. He is the author of the book titled *The Effective Executive* in which he draws on the work done by Grusky (1963). He explored issues around what executive leaders do and not do to lead their businesses successfully (Charan, 2005; Allen, Panian, and Lotz, 1979). Of relevance to the focus of this study is that the common-sense theory postulates that a direct and optimal association exist between a business current succession leadership planning and its overall performance and sustainability.

Adler, Berry, and Doherty (2013) further argued that this positive relationship is premised on the belief that having a leadership succession plan allows for new individual family members to take charge and bring new ideas and skill to mitigate the

failures of the previous leader. Swider and Ning Li (2013) alluded to this observation when they said that business organisations put in place leadership succession plans to achieve improved profitability and sustainability.

That being the case, Grusky (1963) pointed out that common sense simply entails that current leaders of family businesses firms are expected to carefully choose potential successors with adequate experience and knowledge to bring about the desired business performance. In concurrence, Dohrn, Lopez and Reinhardt (2015) claimed that a knowledgeable person with relevant experience should be selected to replace the outgoing leader to boost the performance of the organisation as articulated by the common-sense theory.

Therefore, because of its shortfalls as pointed out by Grusky (1963) and Adler *et al.* (2013), the common-sense theory of leadership succession will in this study be used in collaboration with other views as is discussed below. While common-sense theory suggests that changing leaders will result in increased enthusiasm and better business performance, many scholars such as Dohrn *et al.* (2015); and Allen, Panian and Lotz (1979) have argued that improvement can only occur under certain circumstances and not always.

### **3.3 VICIOUS CYCLE THEORY**

The vicious cycle theory of succession planning can be traced back to work done by Grusky in the 1960s. According to Grusky, (1963), the vicious cycle theory is based on the claim by critics of the common-sense idea that events of succession leadership do not always support the business sustainability and general performance of the business enterprises.

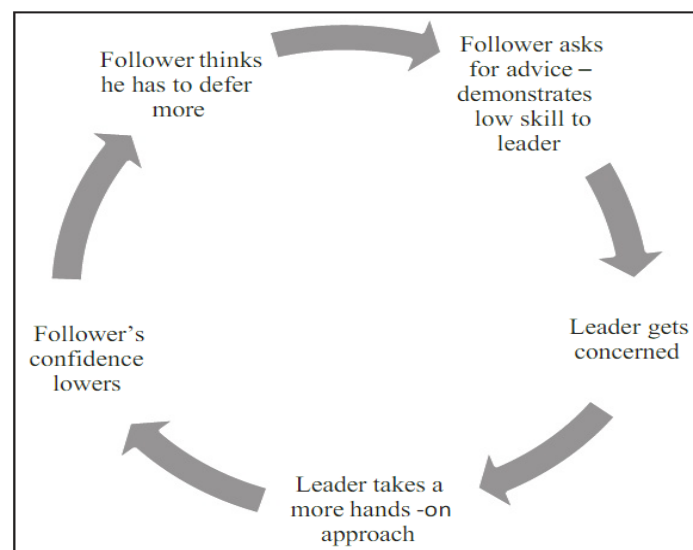
Grusky (1960; 1963; and 1967) argued that changing leadership was counter-productive due to its destabilisation effect on the work environment, and the forced adaptation by organisational staff to working with a new leader or leadership approaches. He, as claimed by Brown (1982), clinched that the vicious cycle theory acknowledges that changing leadership is harmful to the business's performance.

This claim is of great interest to this study. Researching in the context of leadership succession within the sporting field, Brown (1982) found changing leadership within

season derailed the overall performance of National Football League teams. Similar observations were made by Grusky (1963); Rowe, Cannella, Rankin and Gorman (2005); Giambatista (2004); and Audus, Dobson, and Goddard, (1997).

Accordingly, the vicious cycle theory alerted us to the negative relationship between leadership succession and the performance and sustainability of an organisation. This negative relationship can be understood from the observation that the change of leadership from one individual to the other often disrupts the way business was operating (Adler *et al.*, 2013; Kim and Choi, 2013; Grusky, 1963). It is also important to note that, where leadership succession happens frequently, the organisational performance tends to suffer.

As illustrated in Figure 3.1 below, the vicious cycle theory of leadership succession suggests that a business organisation planning to change its leadership or management does that due to the poor performance of the business, but notes when a new leader fails to perform as anticipated she/he will also be replaced. Where this trend continues, it becomes a vicious cycle whose effect translates into more disruptions and low staff morale, both of which negatively affect the performance of the business. Such disruption frequently results in the inadequate general performance of the company (Kim & Choi, 2013).



*Figure 3.1: The vicious cycle theory of leadership succession  
Adapted from Boyd et al., (2014)*



Scholars such as Grusky (1963 and 1967) and Allen *et al.* (1979) argue that not all leadership changes are negative. Others, for instance, Boeker (1992) highlighted that not every leadership succession outcome had been found to directly relate to the performance and sustainability of a business organisation. It is such critique that gave birth to another theory of leadership succession known as ritual scapegoating theory, put forward by Gamson and Scotch (1964). This theory is discussed in detail in the next section.

The vicious cycle theory arguably resonates with some of the tenets of the opponent-process theory of leadership succession. Hollenbeck, DeRue and Nahrgang (2015) argue that the triggers of leadership succession emerge from the situation of negation: put simply, failures of the current leadership, that potential successors use to vie for the leadership position, not knowing that when it is their turn to lead similar negation situations will arise.

Closely related to this tenet of an opponent-process theory of leadership succession is that once the cycle of replacement continues, it is often very disruptive and harmful to the performance of the organisation.

### **3.4 RITUAL SCAPEGOATING THEORY**

As already pointed above, the ritual scapegoating theory of leadership succession was born out of the shortfalls embedded in the vicious cycle theory. According to Gamson and Scotch (1964), the ritual scapegoating theory asserts that none of the interplays exists among succession leadership, business sustainability and the general performance of the business enterprises.

Elaborating on their assertion Gamson and Scotch (1964) argued that the leader is the only one of the many factors that determine how a business organisation performs. Both scholars see the leader, be it in a family-owned business or more massive corporation, as just a symbolic figure with limited influence on the way the business is run and or ultimately performs.

It is important to mention that Gamson and Scotch's (1964) assertion regarding the ritual scapegoating theory was based on their critique of Grusky (1963) study in which his findings indicated that a negative correlation has existed among the frequency of

leader (manager) succession and the performance of a business organisations. To put it in simple terms, Gamson and Scotch's (1964) claimed that there was no conclusive evidence that change in leadership affects the performance of a business organisation. In summary, a theory of ritual scapegoating entails that the performance of business firms relies on the capabilities of attracting critical skills as well as organisational policies than merely its leadership (Gamson and Scotch, 1964).

In Grusky (1963), Brown (1982) claimed that other administrative personnel and the policies of the general manager are critical in the long run. Such conclusions are interesting to this study and can be deployed to interpret the data generated in the study. Elaborating on the ritual scapegoating feature of this theory and trying to compare it to the vicious cycle theory, Grusky (1963) said that powerful top managers are less likely to be dismissed. Even during the periods of dismal organisational performance, as they can quickly shift the blame for the business's failures onto their subordinates.

### **3.5 PLANNED BEHAVIOUR THEORY**

Ajzen proposed this theory in 1985. Its main aim was to clarify non-intentional individual behaviour (Zellweger, 2017). In the context of family-owned firms, the idea of planned action has been widely used in exploring the impact of paternalistic leadership regarding the acuties of inheritors (Mussolino and Calabro 2014) and the effect of prior exposure of the family firm on financial decision-making and entrepreneurial commitment (Schröder, Schmitt-Rodermund and Arnaud, 2011; Zellweger, 2017).

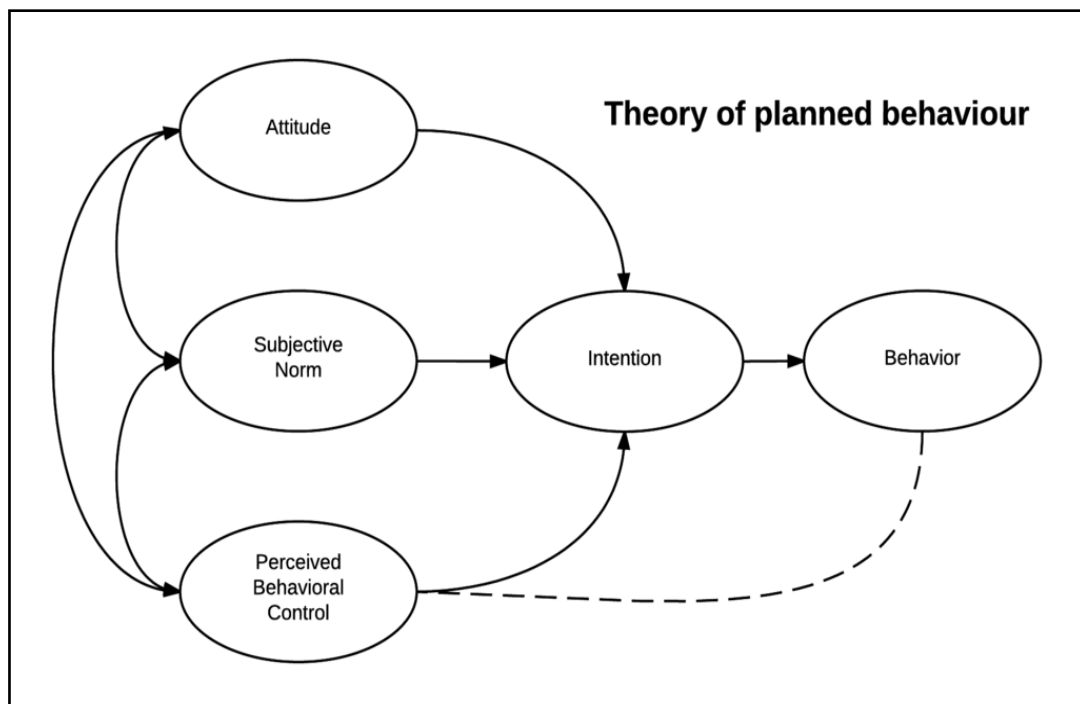
The theory of planned behaviour can thus be used for different reasons, and in this study, the researcher applies it to understand how leadership succession decisions are made within the family-owned firms to be covered by the survey. In its orientation, this theory also links well to some of the issues that family-owned businesses grapple with about planning and managing leadership succession. For this reason, the researcher found it very relevant.

According to De Massis, Sieger, Chua and Vismara (2013), the theory of planned behaviour is based on the notion that the leadership succession within a family business is determined by a number of factors notably:

- The number of family shareholders involved;
- The total number of children; and
- The incumbent's emotional attachment.

Similarly, Carr and Sequeira (2007), suggested that the theory of planned behaviour also acknowledges that prior exposure to family-owned business is an essential determinant of how leadership succession happens within the family firm. The two scholars further said that disclosure of a family member to the family-owned business shapes the entrepreneurial intent of that particular member, thus positioning him or her better to take over the management of the family business.

As reflected in figure 3.2 below, the attitude and norms of the family members greatly influence how leadership succession is planned for and implemented.



*Figure 3.2: Theory of planned behaviour*

*Adapted from Boyd et al., (2014)*

The more positive the attitude of family members towards the capability of the potential leadership successor, the more likely the succession will happen. The theory of planned behaviour also offers a robust conceptual basis for understanding the factors that shape the decisions around ownership transition within organisations, family-

owned business included (Boyd, Botero and Fediuk, 2014; Mussolino and Calabro, 2014).

By affecting perceived family support, entrepreneurial self-efficacy and the attitude towards the business, it assists in supporting the successors in terms of starting up their businesses (Carr and Sequeira, 2007). Boyd *et al.* (2014) further argued that the fundamental premise of the planned behaviour theory is that decisions made about behaviour such as those that relate to leadership succession are informed by logic and sequential planning.

Also, an important aspect to note concerning leadership succession is that members of a family owning a business often come up with their decisions based on the information they have regarding how to take the company forward in a way that consolidates its sustainability (Mussolino and Calabro, 2014). As Boyd *et al.* (2014) pointed out, it entails that those actions related to leadership transition are an outcome of evaluative decision-making processes that the family members undertake, including looking at possible consequences of the anticipated leadership change. This process of evaluation also looks at how easy or difficult it will be to implement the foreseen leadership change.

In this theory, aspects such as family members' attitudes and beliefs are crucial in that these determine how one can see and respond to the perceived leadership change (Hale, Householder, Greene, 2002; Zellweger, 2017). Where there is a positive attitude towards the planned leadership change or a strong belief in the successor, the leadership succession tends to be more accessible and its implications for the performance and sustainability of the family business is always positive (Fishbein and Ajzen, 1975). This is because some studies have concluded that the stronger belief towards the behaviour (in this case leadership succession) the more likely the family members are to develop interest and intentions to get it done (Boyd *et al.*, 2014; Sharma *et al.* 2003). When current leaders of family business show a positive behaviour towards their business venture, even possible successors are likely to adopt and identify themselves to business venture making it easier in dealing with succession planning.

### **3.6 OTHER THEORIES OF LEADERSHIP SUCCESSION**

Besides the main theories discussed above, the researcher also worked with a few different approaches as presented below. Although these theories are impactful in their own accord, they do not appear to have significant relevance to the focus of this study. Each of these theories is briefly discussed below:

#### **3.6.1 Succession planning and management theory**

The succession planning and management theory puts more emphasis on effective succession planning, including the effort that management displays in promoting and building talent from within the business firm as a way of ensuring the continuation of leadership (Rothwell, 2010).

Rothwell (2010) further explains that part of the strategic plans and management tools within the business organisations should include the formation of formalised succession planning. Therefore, given the focus of this study and its interest on exploring the relationship between leadership succession and performance, this theory may provide additional lenses through which the researcher can understand how leadership succession in family-owned business happens.

Rothwell (2010) observed that to achieve systematic succession planning within business organisations, family firms needed to include seven-points which need to be considered. These points include:

- Having a strong commitment towards succession planning;
- Continuous assessment of the work and people's requirements within the organisation;
- Ongoing appraisals of the performance of each individual within the organisation;
- An assessment of the future outlook of the business environment and what it will require;
- Objective assessment of the potential of each individual;
- Having the capacity to close the development gap; and

- Capacity to evaluate the following succession development program.

The theory of succession planning and management resonate well with the tenets of theory of planned behaviour. In this regard, the researcher used it to supplement the two main views when deemed necessary and during data analysis and meaning making.

### 3.6.2 Resource-based view theory

The resource-based view theory focuses a firm’s strategies, internal capabilities and resources to drive and enhance competitive advantage and performance within the marketplace (Wang, 2014). This had earlier been observed by Barney (1991) who acknowledged that an organisation could achieve competitive advantage by focusing advancing internal resources that are difficult to replicate by other competitors. RBV tries to focus on importance of people as a resource in the success of an organisation and has able to provide a theoretical lens through which human resources can be aligned to inform or influence organisational performance and succession planning (Barney, Wright, & Ketchen, 2001). Based on the same association of RBV and succession planning, Jarvis (2019) proposed a framework for succession planning. Figure 3.3 below shows the conceptual framework.

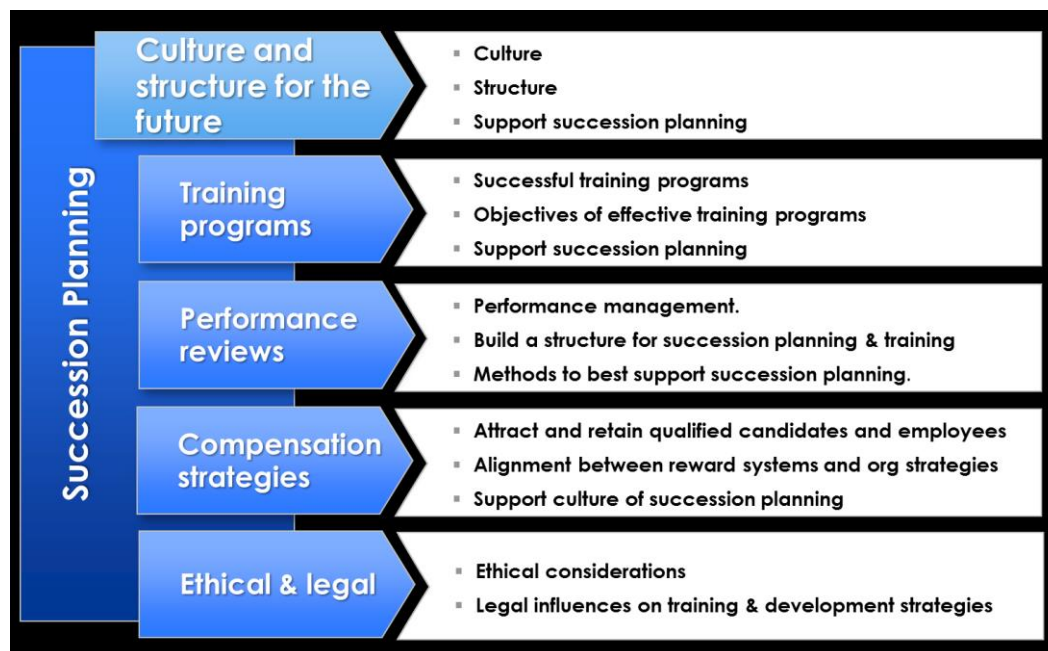


Figure 3.3: Conceptual framework of a succession planning process.

Adapted from Jarvis (2019).

The framework is based on five elements as follows:

1. Culture and structure for the future;
2. Training programs;
3. Performance reviews,
4. Compensation strategies; and
5. Ethical and legal.

A cyclical implementation process in the framework shows how the elements of RBV are related and how supportive they are during process of succession planning.

Put simply, this theory asserts that leadership succession in business organisations is motivated and shaped by factors such as a desire to make more profit, character of current and future leaders and as well as size and amount of resources that the business possesses. The resource-based view is used to support the other key theories discussed earlier in this chapter. It is vital to understand how factors such as performance reviews or compensation strategies determine how leadership succession takes place.

### **3.6.3 Social exchange theory**

Homan initiated the social exchange theory in 1958. The approach is based on the assumption that over a period of time relationship between a current business leader and potential successor often evolves into loyal, mutual commitments and a trusting phase in which the concerned leaders consent to specific rules in interchange (Cropanzano and Mitchell, 2005).

Such interchange may include an agreement of transfer of power and control (leadership) of a business organisation in question. They may interchange on the ground of transparent interplay of fidelity and mutual respect among the inheritor and the existing leader. Thus, a trustworthy relationship is commonly believed to be advantageous because it allows the inheritor to attain necessary skills and become more knowledgeable about managing and controlling the day-to-day operations of the family-owned firms (Daspit, Holt, Chrisman & Long, 2016).

However, it is also argued that a contractual leadership agreement based on a social exchange between incumbent and successor, if stricter may be considered to be harmful to the business. It is because the successor may find it challenging to balance between loyalty and the interest of the company itself. Social exchange theory is thus valued for its ability to facilitate the formal succession planning, diminish uncertainty throughout the process and validating the responsibilities and roles of all family members.

In this study, using social exchange theory provided a way of understanding the research findings and how participants used them in coming up with leadership succession plans.

### **3.7 A HYBRID THEORETICAL FRAMEWORK**

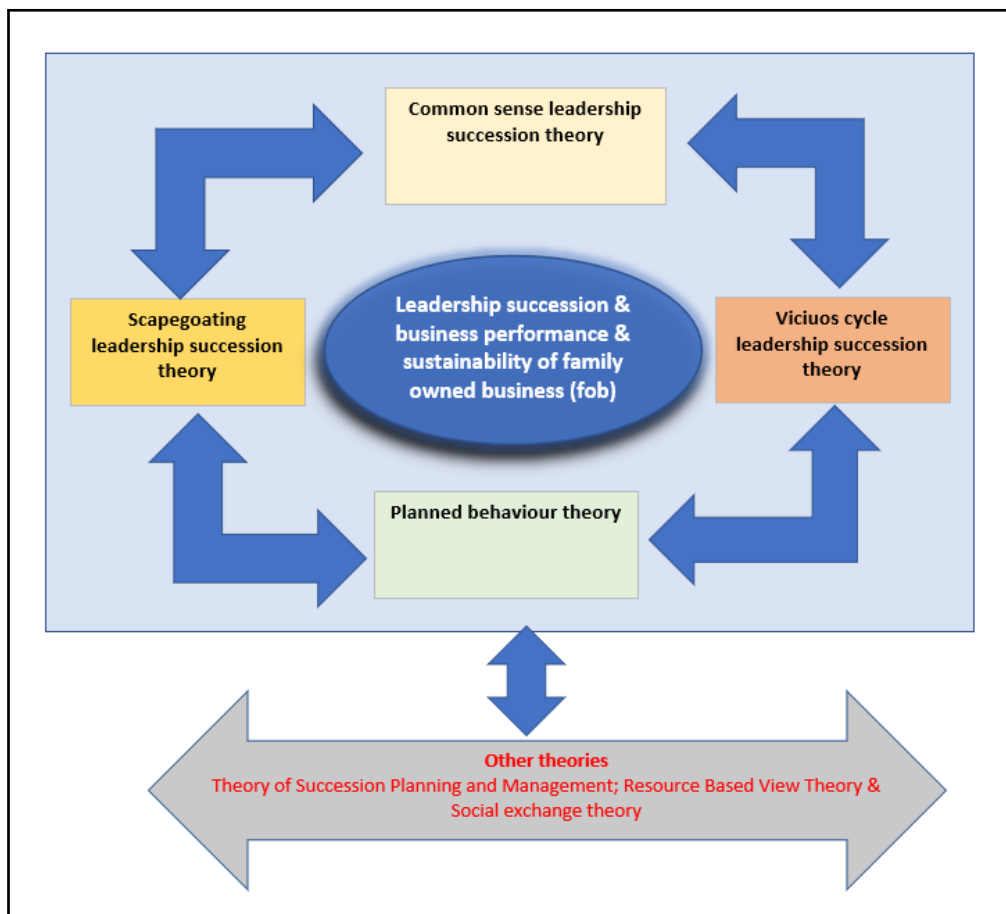
In this study, the researcher decided to use a hybrid theoretical framework using four leadership succession theories namely common-sense theory, vicious cycle, the ritual scapegoating theory and planned behaviour theory. This decision was informed by the realisation that there are many theories of leadership succession that speak to the study. Still, none of them is on its own adequate.

By using a hybrid theoretical framework, the researcher was able to draw on the different and relevant viewpoints that are embedded in the range of theories. The same decision to use more than one view of leadership succession is also premised on the experiences of other scholars, who have successfully drawn on more than a single leadership succession theory to conduct their studies.

For example, Swider and Ning Li (2013) used a framework that draws together common sense, vicious cycle and ritual scapegoating theories to understand how leadership succession affects organisational performance. In working with such a hybrid theoretical framework, the researchers were able to reconcile the divergent conclusions about the leadership succession and business performance interplay. They managed to identify multiple underlying mechanisms that helped them to understand better how leadership succession influences the performance of a business organisation.



Rowe *et al.* (2005) stated that although the common-sense theory, vicious cycle and ritual scapegoating theories of leadership were put forward in the early 1960s, they have remained very relevant. Rowe *et al.* (2005) also provided evidence that confirms that in essence business organisations engage with all the four theories selected for this study in leadership succession. As shown in Figure 3.4 below, the researcher worked with several ideas from the four leadership succession theories in undertaking this study.

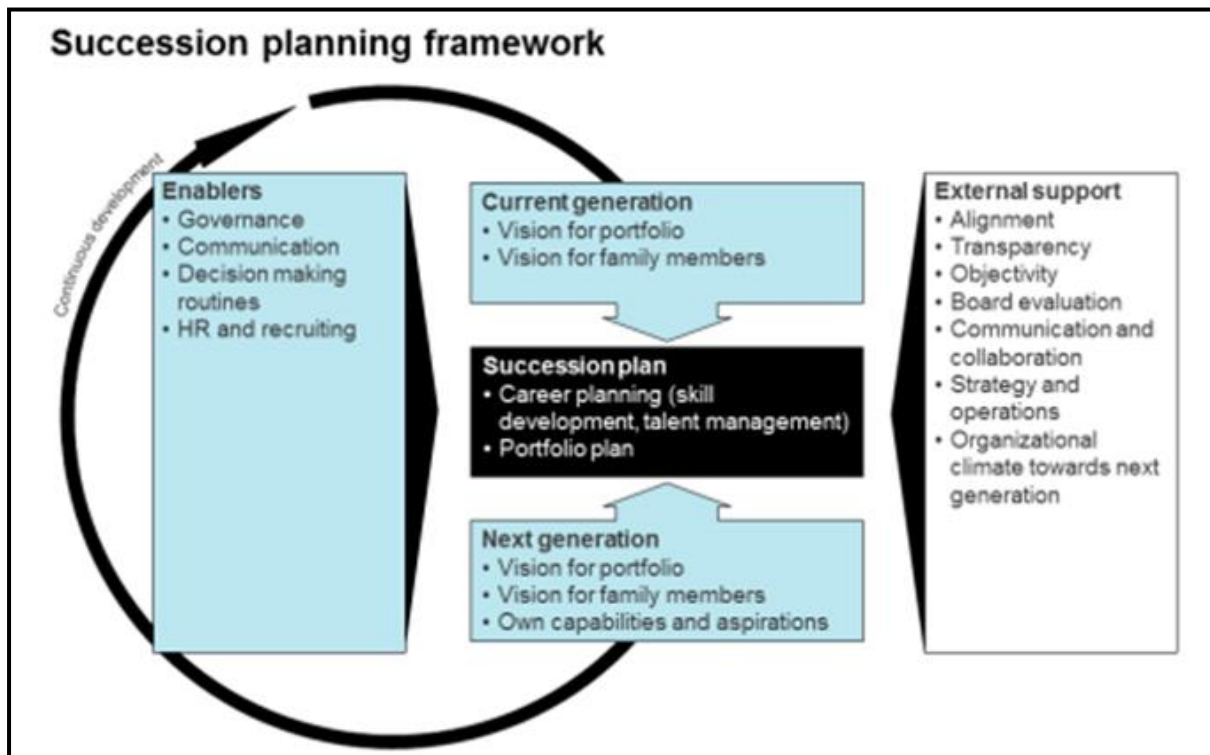


*Figure 3.4: Hybrid theoretical framework*

*Source: Author*

Another reason for using a hybrid framework in this study was that leadership succession planning is a complex and multifaceted phenomenon, shaped by an array of factors (Mathews and Blumentritt, 2015). To come up with a theoretical framework that helps one to understand and explain how all the different factors play out and influence leadership succession simply require deployment of more than one theory.

As can be seen in Figure 3.5 below, leadership succession planning is for sure, not one dimensional but of complex nature.



*Figure .3.5: Succession planning framework  
Adapted from Mathews and Blumentritt, 2015)*

To explain how all these dimensions and factors of leadership succession, as represented in Figure 3.5, requires one to work with theories as discussed earlier. Hence, this is what this study entails. However, the researcher also wishes to acknowledge that working with a hybrid model of theories of leadership succession is neither always the best, nor is it an easy thing to do. In mediating the challenges related to this way of working with theory, the researcher remained alert to conflation and giving agency to one view over the other.

### **3.8 SUMMARY**

In this chapter, the researcher presented and discussed the different theories of leadership succession that she depended on when conducting this study. Four main theories were examined at greater length, their proponents, what they assert and how these were used in this study. In addition, the chapter also discussed a number of other theories that were drawn upon to supplement, where necessary. Working with

insights gained from a review of the different views and how other scholars have used them, the researcher presented what she terms a “hybrid theoretical framework” of leadership succession that she used to complete this study successfully.

Therefore, Chapter Three while closely linked to Chapter Two, in which the researcher talked of approaches to leadership succession, focuses explicitly on how different scholars have explained leadership succession theories. Chapter Four further provides a detailed discussion of the type of research paradigm, design framework and data collections methods used to carry out this study.

## **CHAPTER FOUR: RESEARCH METHODOLOGICAL FRAMEWORKS: METHODS AND DATA ANALYSIS**

### **4.1 INTRODUCTION**

In this chapter, the researcher provides a detailed discussion of the type of research paradigm, design framework and data collection methods used to carry out this study. Chapter Four starts by providing an orientation of the researcher's worldview, both ontological and epistemological, that informs the selection of the research methodology used. Here a clear linkage between ontology, epistemology and the research methodology employed is made. It should be noted that, quantitatively, the researcher collected a small sample size which is justified by the fact that this study is epistemologically more qualitative and more exploratory than theory testing.

The chapter then moves on to present the overall research methodology, making it explicit why a mixed methodology approach was used and how that shaped the data collection techniques employed in the study. Furthermore, efforts were made to provide an adequate argument for the use of mixed methods together with the data collection instruments used.

The chapter further provides an overview of how data collected was managed, processed and made ready for analysis. The chapter then presents the framework that was used for data analysis. The researcher also discussed how she dealt with issues around research ethics, validity and reliability of the study.

This chapter is therefore, a comprehensive overview of how this study was designed and executed, beginning with methodology, data collection and its management up to its analysis and meaning making.

### **4.2 ONTOLOGY AND EPISTEMOLOGY PERSPECTIVE**

The design of the research methodology for this study was informed by the researcher's ontological and epistemological worldviews. Hence, in this section, ontology and epistemological worldviews are briefly discussed, making sure that the way they influence the design and research methodology of this study is made explicit.

In research, the ontological dimensions entail the essence of the reality that is being researched (Al-Ababneh 2020; Ejnavarzala, 2019). Reality is viewed as an external and complex phenomenon. Thus, the researcher should choose the method that answers the research questions posed in the study adequately as a way of discovering reality (Creswell & Clark, 2018). Important to note is that ontology as pointed out by Dodd and Davies (2002) and supported by Al-Ababneh (2020) and Ejnavarzala (2019) is concerned with the constitution of reality and what we can know about it. In this study, reality was discovered through the means of both quantitative data collection and analysis methods and qualitative data collection and analysis methods. The researcher perceived reality as objective in the quantitative phase because the selected family business participants completed the questionnaires in their own preferred time. The researcher made use of IBM SPSS Version 25, a statistical analytical tool in analysing quantitative data. This helped the researcher in developing descriptive findings regarding the demography of the participants and the inherent trends in their experiences of leadership succession planning. In the qualitative phase, data collected through semi-structured interviews identified themes after being processed and analysed using Atlas.ti Version 8. Thematic analysis was done to ultimately make meaning of thematic data in order to answer the research questions.

Epistemology focuses on how we can be able to recognise, define and be certain that the knowledge that results from the research study conducted can be considered to be trustworthy (Creswell & Clark, 2018). By using quantitative and qualitative data collection methods, the researcher was able to base the results on a variety of sources of knowledge that could be considered to be factual. The participants were afforded the opportunity to complete the questionnaires without the involvement of the researcher, influence or bias in the first phase. In the second phase, the researcher gained in-depth knowledge through the semi-structured interviews. The knowledge generated from the respondents assisted the researcher to devise several practical guidelines and proposed a leadership succession planning model that family-owned business can adopt and adapt for use, as they grapple with succession planning in any type or size of family-owned business.

### 4.3 RESEARCH DESIGN: MIXED METHOD

A research design is described as the most suitable approach to answering the research questions posed in the study while taking into consideration the aspects such as timing of the data collection, the total number of research subjects and the possible research interventions (Gray, Grove & Sutherland, 2017: 676). Research designs thus, entail strategies and procedures that involve dissimilar assumptions and approaches used for data collection and data analysis in the research study (Liamputtong 2017:525).

There are various definitions of mixed method. Creswell & Creswell (2018) describes a mixed-method approach as the approach which combines multiple types of methods in a single study. Mixed-method research is also described by Creswell (2013) as a research method used for collecting information relating to one single study by using more than one method as a way of determining a convergence and thus, increasing the research findings validity.

Creswell and Creswell (2018), argue that a combination of research methods entails a situation whereby the researcher uses multiple methods of collecting data as well as numerous forms of analysing data in a single research study. It entails that the researcher had to use both quantitative and qualitative research when collecting and analysing data which was the case for this study. Important to note is that in quantitative research, data can be collected from many individuals and trends assessed in large geographical areas; hence, it provides a measurement orientation (Creswell & Creswell, 2018; Levitt, Bamberg, Creswell, Frost, Josselson & Suárez-Orozco, 2018)

In contrast, the qualitative method of research is situated within the real-life setting of the research participants, and as such, it produces contextualised data regarding participants lived experiences (Levitt *et al.*, 2018; Creswell & Creswell, 2018; Creswell, 2008). When combining both qualitative and quantitative research, their strengths are both integrated, and this assumes a better understanding of the problem than using a single approach. Tashakkori and Teddlie (2010) describe mixed-method research as a “third movement” in the research methodology evolution.

An examination of selected scholars' viewpoints concerning the writing and discussion of mixed-method research was carried out by Tashakkori and Creswell (2007). The results concluded that there are four perspectives used in categorising the various definitions of mixed-method research as follows:

- The first viewpoint is known as the methods perspective, which entails that the orientation of mixed-method research is mainly about utilising and establishing strategies for data generation and analysis that is both qualitative and quantitative in orientation.
- The second viewpoint is the methodological perspective which entails that mixed-method research is viewed as a distinct methodology that incorporates various aspects of the process such as the questions, methods, research world view and conclusions.
- The third viewpoint is about the paradigm. This aspect mainly focuses on numerous worldviews that offer a mixed-method approach with a philosophical background.
- The fourth viewpoint concerns the practice perspective. It entails that mixed-method research uses a set of procedures for combining the research designs, be it ethnography, survey or any other type of research. The point to note is that these perspectives are not mutually exclusive but elicit two distinct Meta categories known as method/practice categories whereby more emphasis is put on procedures of research, processes, and techniques. The second category is the methodology/paradigm category which includes the aspects of the world's view to research. All these four perspectives will be used to achieve the purpose of this study.

There are various benefits attached when using mixed-method research in a single research study. For instance, a survey carried out by Mckim (2017) focused on the value of mixed methodology in the business field by reviewing various research studies which were published in that field. The results indicated that mixed-method added more merit in terms of the creation of knowledge, informing the data collection of the second data source and increasing validity in the findings.

Researchers also argue that most of the studies that utilise mixed-method approach tend to gain a deeper and broader understating of the phenomenon, unlike research studies that rely only on one single research approach (Mckim, 2017). The other benefit of using mixed-method approach is mainly its component of integration because through integration the reader becomes more confident with the results and the conclusion that is drawn from the study (O’Cathain, Murphy and Nicholl, 2010).

The use of mixed-method research also aids the researchers to develop ideas for future research studies. Besides, researchers argue that the only way to be sure about the research findings and interpretation of the study is through the use of a mixed-method approach, (Mckim, 2017).

Accordingly, the researcher used methodologies of qualitative and quantitative orientation. The rationale for using mixed methodology is that neither quantitative nor qualitative methods are adequate by themselves to capture the status of and experiences around leadership succession planning in businesses owned and managed by families, which was the unit of analysis in this study. (Levitt *et al.*, 2018).

When used in combination, quantitative and qualitative research methods complement each other and allows the research to undertake a more intensive analysis and come up with more explanatory findings (Creswell & Creswell 2018). When using mixed-method research, a clear explanation of how qualitative and quantitative data was collected by either using sequential or simultaneous method should be stated (Mckim, 2017).

When using the sequential method, the researcher collects data in two consecutive stages. The first stage of data collection in sequential research is critical because the second stage will be planned based on the outcome of the first stage. When collecting data simultaneously, the researcher is expected to collect both qualitative and quantitative data at the same stage. In this study, data was collected using a sequential approach. First questionnaires were used, and then semi-structured interviews followed.

The researcher selected a sequential exploratory mixed-method approach for this study. In a sequential exploratory mixed-method design, quantitative data collection



and analysis are done first, in order to inform and guide the qualitative phase (Polit & Beck 2015).

#### 4.4 DATA COLLECTION PROTOCOLS

The researcher started collecting data after getting the ethical clearance from the University of South Africa. To collect data, the researcher deployed a two-phased but iterative data collection protocol entailing the administration of questionnaires and semi-structured interviews. Figure 4.1 below illustrates this data collection protocol, providing more detail on the rationale for each of the data collection phases. Data collection process started in July 2019 up to January 2020.

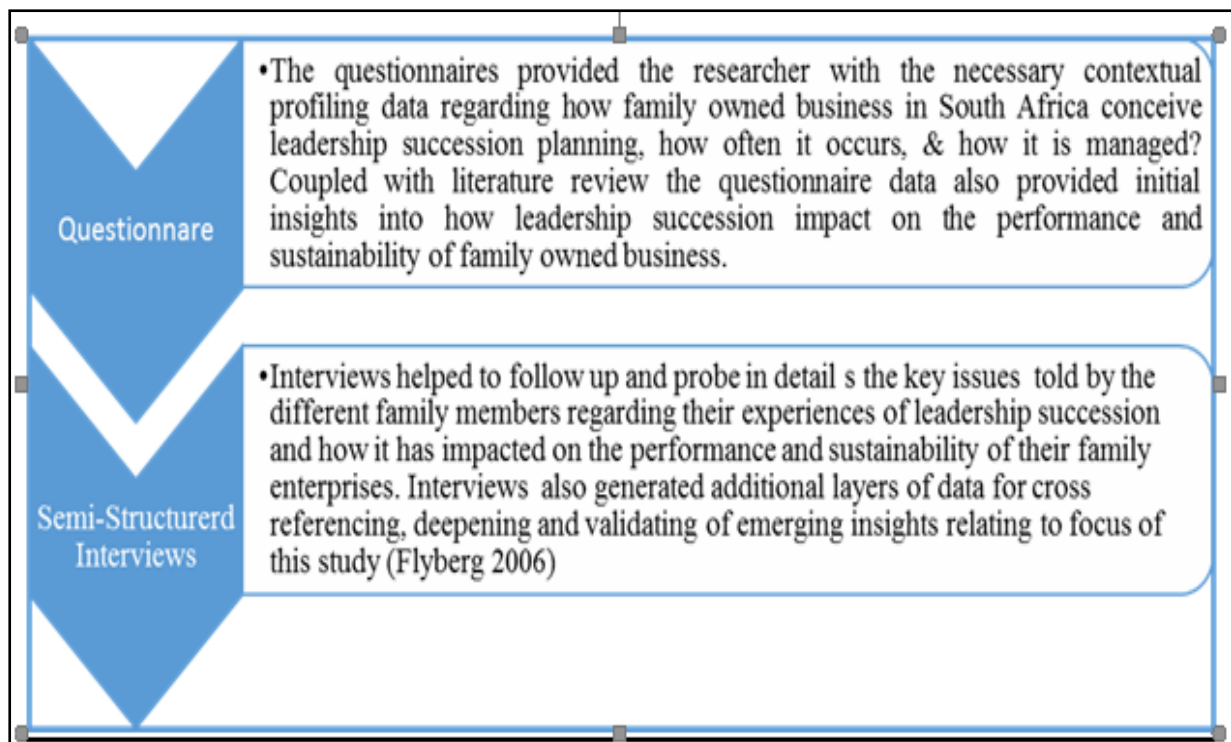


Figure 4.1: Data collection protocol and rationale

##### 4.4.1 The questionnaire

In the quantitative part of the study, the researcher used the questionnaire as a data collecting technique. The use of questionnaires arguably remains the most widely used ways of gathering data when conducting quantitative research. However, the critical thing is that when developing a questionnaire, one should always make sure that it is explicit, dependable and valid, (Zohrabi, 2013). Abawi (2013) states that a

questionnaire is an instrument designed for collecting data, and it contains a list of question items to elicit data from research respondents.

Similarly, Hamed (2016) defines a questionnaire as a tool that is well established and used for acquiring data from the research respondents concerning their past and present conduct, their beliefs, their attitudes, their social virtues, their normative behaviour and their justification of action pertaining to the research topic that is being investigated. Adams and Cox (2008) argued that well-designed questionnaires are not only more comfortable for the respondent to fill in but increases the accuracy of responses. Hence, issues of reliability and validity are addressed by the process.

In practice, this entails that the researcher must have his or her primary research questions in mind, and then move on to carefully think about what research questions (hypotheses) each item in the questionnaire is contributing to testing or answering (Abawi, 2013). When designing the questionnaire, the researcher needs to decide on the format of questions as to whether they are open-ended or closed-ended questions. The use of both closed-ended questions and open-ended questions in social science research such as this study had been under debate for a long time. Bird (2009) said that close-ended questions are usually easier to analyse but generally challenging to draft. In contrast, open-ended questions are difficult to interpret but more comfortable to construct. In this study the questionnaire contained both open and closed questions.

In total, the researcher administered 40 questionnaires to family-owned business enterprises. Only 37 respondents filled in the questionnaires. These were individuals drawn from families who own businesses and have been exposed to experiences of leadership succession planning. The questionnaires were administered through online forms after identifying possible respondents through snowball and purposive sampling.

The small sample size is justified by not only the fact that this study was by its epistemology more qualitative than quantitative but also that the review is as already discussed earlier more exploratory than theory testing (Flyvbjerg, 2006). Questionnaires were also used in this study due to their ability to afford the respondent anonymity and freedom to answer certain questions as compared to face-to-face interviews (Creswell & Creswell, 2018; Hamed 2016). Such liberty and anonymity were

necessary for this study, given the sensitivities around issues of leadership succession in family-owned businesses, as discussed in Chapter Two.

Hamed (2016) and Zohrabi (2013) further talked of how the impersonal nature and standardisation of questionnaires is critical for the validity and objectivity of data collected. Coupled with insights emerging from a review of literature data collected through the questionnaires provided the researcher with a historical overview of trends and patterns related to how a family-owned business perceive and manage leadership succession. As Creswell & Creswell, (2018) pointed out, a literature review is important as it helps the researcher to develop a contextual case profile of a phenomenon to be investigated. Hence one way that the researcher used to design the administered questionnaires was to use the insights emerging from the review of literature as presented in chapter two.

#### **4.4.2 Selecting the family businesses population**

Identification and selection of data-rich cases, as pointed out by Flyvbjerg (2006) and supported by Yin (2017) and Hamilton (2011) is a very critical aspect of the case study method. Therefore, the researcher used purposive sampling and snowball sampling to select the 15 family-owned businesses that participated in this study. Purposive (also known as strategic or judgemental) sampling is, as Marshall (1996), stated the most common sampling technique used in qualitative research.

Purposive sampling means that the researcher must actively pick on the most productive sample (in this study family-owned business) that can provide useful insights to answer the paused research questions (Campbell, Greenwood, Prior, Shearer, Walkem & Young, 2020). Leedy and Ormrod (2016) also described purposive sampling as entailing the selection of knowledgeable and informative research informants.

Such careful and strategic selection of data-rich family-owned businesses was made possible by the insights that the researcher gained during the review of literature, administering of questionnaires and profiling of family-owned business in South Africa. The researcher could come up with what Flyvbjerg (2006: 41) called “typical cases” with the potential to provide more information about the situation being studied.

Campbell *et al.* (2020) named these typical cases “the most productive research samples”.

In practice, purposive sampling is often based on a framework of variables developed from the researcher's knowledge of the study area or phenomenon, the available literature and evidence from initial research processes such as contextual profiling in the case of this study (Campbell *et al.*, 2020). Thus the selection of the 15 family-owned businesses was based on the following inclusion criteria and exclusion criteria framework shown in table 4.1.

*Table 4.1: Criteria for the selection of samples*

<b>Criterion</b>	<b>Rationale</b>
Must have been in existence for a not less than 20 years	The assumption is that those businesses that are older than 20 years must have had leadership succession in one way or the other. If not issues of leadership succession must be starting to emerge and thus these can provide a lot of valuable information regarding leadership succession and how they have undertaken or plan to undertake it
Must have a net annual income of not less than ZAR 1 million	Size of business, as already highlighted in Chapter Two is an important factor in determining leadership succession hence family business with a net income of ZAR 1 million are bound to be typical cases for understanding leadership succession and how it is done and what its implications for performance and sustainability are
Must have undertaken/experienced leadership succession at least once	Those family businesses who would have gone through leadership succession are of interest to this study. These can provide information on their experiences of leadership succession and how it impacted the performance and sustainability of their business ventures. Such cases provide real-life case stories

Whose founding family members are still alive	It will be interesting to be able to engage and discuss issues around leadership succession planning with families in which the founder member of the business is still alive and can share memories of how s/he grappled with and managed challenges around leadership succession planning
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Therefore, it followed that the selection of cases of family-owned businesses was based on their uniqueness, having more of the above set criteria framework. The researcher made all efforts necessary to ensure that the best available cases of family-owned businesses were identified and mobilised for participation in this study. It is this careful selection that also helped to improve the validity and trustworthiness of the findings as they emerge from this study (Barratt, Ferris & Lenton, 2015)

One of the crucial issues in achieving the required data lies in the number of the participants that the researcher wants to interview before reaching what Saunders and Lewis (2012) referred to as the data saturation point. It is for this reason that a maximum sample size of 15 family-owned businesses were used in this study. Similarly, scholars such as Guest, Bunce and Johnson (2006) argued that the sample size of purposive sampling must be established inductively and that the sampling size should continue until the theoretical saturation is realised.

Guest *et al*, (2006) further gave a clear clarification concerning the total numbers of interviews that should be considered to be enough, by stating that saturation is often reached within the first 12 interviews and the variability within the data that follows start to reflect similar patterns. Therefore, in this study, the researcher believed that the 15 semi-structured interviews were sufficient enough to generate the levels of data required to make credible and reliable knowledge claims.

#### **4.4.3 Semi-structured interviews**

In the qualitative part of the study, the researcher used face-to-face semi-structured interviews as a data collecting technique. According to Adams (2015), semi-structured interviews are regarded as the most important technique for data collection, and they are widely used in qualitative research. Similarly, conducting face-to-face interviews

enabled the researcher to observe non-verbal behaviour of the participants as alluded to by Adams (2015). The questions in the semi-structured interview were structured in a cautiously prepared etiquette which allowed the researcher to concentrate on the research question of the study (Marshall & Rossman, 2016).

Additionally, there is a lot of flexibility in semi-structured interviews such as allowing the participants to provide thorough information regarding the subjects raised during the process of the interviews and it also provides detailed explanations and understandings on the subject matter. Participants are also able to elaborate further on the subject matter (McIntosh and Morse, 2015). Therefore, the researcher used semi-structured interviews in this study because of the following benefits:

- Semi-structured interviews allowed the researcher to prepare the interview questions warily in a way that captures the research questions (Yin, 2014).
- It provided flexibility to the participants to provide thorough information regarding the subjects raised during the process of the interviews, and it also provided detailed explanations and understandings on the subject matter (Marshall and Rossman, 2016).
- Semi-structured interviews do not consume a lot of time, and in-depth information was realised (Yin, 2014).
- When interviewing participants, the researcher made sure that the interview was conducted according to the arranged time frame (Rubin and Rubin, 2012).
- The researcher posed several carefully prepared interview questions, which focused on the specific research questions in her subject area and asked follow-up questions (Rubin and Rubin, 2012).

The researcher was able to observe non-verbal indications such as body language and intonation during the process of the interview (Onwuegbuzie and Byers, 2014). Thus, non-verbal communication helps in urgency and truthfulness as pointed out by Van Teijlingen (2014).

#### 4.4.4 Selecting participants and conducting the interviews

As earlier pointed out, the researcher used non-probability sampling, namely purposive and snowball sampling, in selecting the case study family-owned businesses. According to Saunders, Lewis and Thornhill (2016), non-probability sampling is generally used in instances whereby the population of the potential participant is not known by the researcher. There is no database for family-owned businesses in South Africa, where one could get information on the characterisation of family members, hence the researcher chose to use non-probability sampling.

Using non-probability purposive sampling strategy, entailed that the researcher had put in the effort to make sure that whoever was identified to undergo the interview was selected based on their being relevant and interested in the issues of leadership transition and how it impacts on the family businesses in relation to their performance and sustainability.

Selected interviewees were e-mailed the consent letter (Annexure A) and semi-structured interview questions (Annexure B) in advance, and that helped them to prepare for the follow-up interviews. Through this process, referrals to other potential family businesses were made by the first five participants, thus enabling the researcher to identify more participants to involve.

#### 4.4.5 The participants profile

Table 4.2 below shows the demographic profile of the participants.

*Table 4.2: Participants' demographic profile*

<b>Participant</b>	<b>Company /Industry</b>	<b>Generation</b>	<b>Years of company existence</b>
Participant 1	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	35 years
Participant 2	Wholesale & retail; repair motor vehicles, and personal and	Third generation	38 years

<b>Participant</b>	<b>Company /Industry</b>	<b>Generation</b>	<b>Years of company existence</b>
	household goods; catering and accommodation		
Participant 3	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Third generation	30 years
Participant 4	Agriculture, hunting, forestry and fishing	Second generation	23 years
Participant 5	Agriculture, hunting, forestry and fishing	Second generation	20 years
Participant 6	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	28 years
Participant 7	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	35 years
Participant 8	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	35 years
Participant 9	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	23 years
Participant 10	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Second generation	28 years
Participant 11	Agriculture, hunting, forestry and fishing	Second generation	15 years



<b>Participant</b>	<b>Company /Industry</b>	<b>Generation</b>	<b>Years of company existence</b>
Participant 12	Agriculture, hunting, forestry and fishing	Second generation	20 years
Participant 13	Financial intermediation, insurance, real estate and business services	Second generation	15 years
Participant 14	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	First generation But already in transition	39 years
Participant 15	Wholesale & retail; repair motor vehicles, and personal and household goods; catering and accommodation	Third generation	51 years

The family-owned business enterprises that the researcher interviewed are categorised as either medium or small enterprise as classified by the Republic of South African National Small Business Act (1996). These family businesses are located in seven provinces, namely:

- Free State,
- Gauteng,
- Kwazulu-Natal,
- Limpopo,
- North West,
- Northern Cape and
- Western Cape.

Eighty-six percent of the family businesses interviewed have passed through transition, and they are either in their second or third generation while 14% are in the first generation and are currently going through a change. The interviews were all conducted through face-to-face, and all the participants were interviewed at their respective businesses located across seven provinces in South Africa.

The researcher acquired upfront permission to capture the interviews using an audio recording device. The researcher further engaged closely with each interviewee and gave them room to speak their minds, ask questions as well as express their opinions on what they thought about leadership succession planning, business performance and sustainability and how they have experienced it.

The use of semi-structured interviews enabled the researcher to probe and follow-up on questions that emerged from the questionnaires. The semi-structured interviews also made it possible for the researcher to rephrase the problematic questions as and when misunderstandings were noted. As a result, the semi-structured interview became very participatory and lasted between 45 minutes and 60 minutes.

During the interview process, most of the participants also indicated that they had some business branches in other provinces. Immediately after each interview, the researcher downloaded the recorded semi-structured interviews to her personal computer and backed it onto a memory stick for ultimate transcription and data analysis.

#### **4.5 MANAGEMENT OF DATA**

The collection of data and archiving it in an easy to access way and format is a critical aspect of the whole process of data management (Davies & Hughes & 2016). In this regard, the researcher used the O'Leary (2004)'s theory on the management of data and reflexive analysis which in practice entails keeping closer to one's data as possible during the entire research project.

Of importance in terms of data management is the notion of being mindful of the overall purpose of the study and its progress (O'Leary, 2004). It is critical because it helped to ensure that the collected data was relevant for answering the questions asked in the study. Figure 4.2 below represents the data management approach for the study.

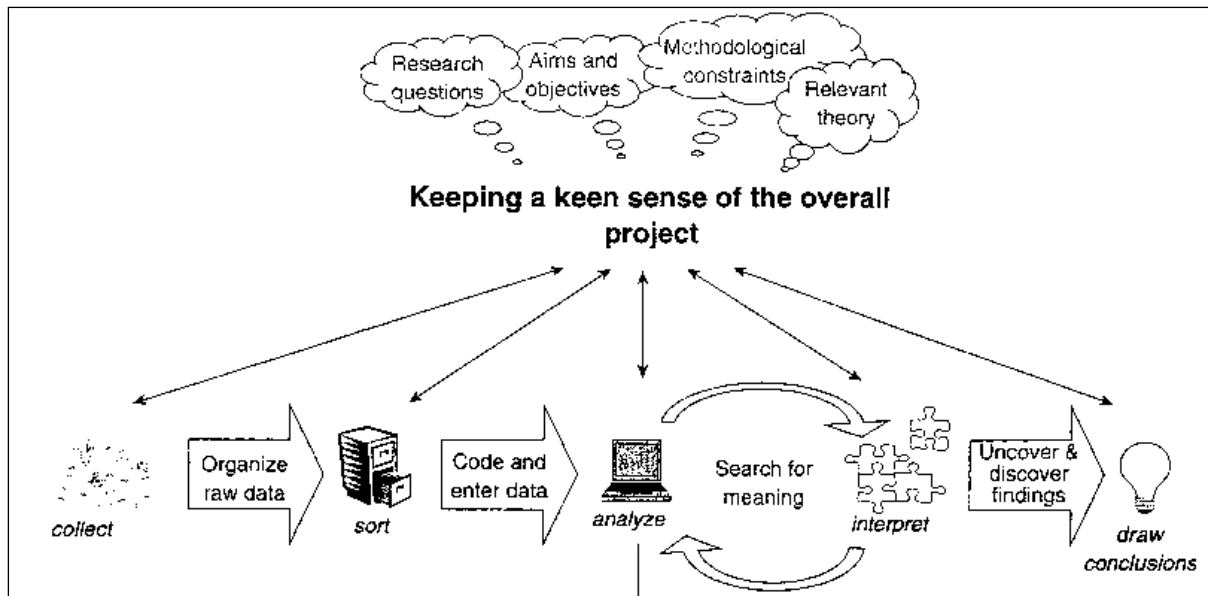


Figure 4.2: Data management process flow diagram  
Adapted from O'Leary (2004:184)

In practice working with this data management approach implies that the generated data from the questionnaires, narrative inquiry (stories) and ultimately the in-depth interviews are systematically organised, transcribed, indexed, and made ready for analysis and the researcher has to stick to this (Davies & Hughes & 2016).

It also means that data must be stored in ways that make it easy to reference back to when interpreting and producing new knowledge claims. Careful data indexing and data coding make it easy to present data as evidence during data analysis and discussion of research findings

#### 4.6 DATA ANALYTICAL FRAMEWORK

Data collected through the questionnaires and semi-structured interviews were, processed and subjected to analysis using thematic analysis. The thematic analysis involves the process of patterns or theme identification within the qualitative data regenerated (Maguire and Delahunt, 2017). Additionally, five purposes of thematic analysis have been defined by Boyatzis (1998) as a means of seeing, relationship, findings, analysing and observing a case systematically.

The data that was generated passed through six stages: becoming familiar with the collected data; generating the preliminary codes; searching for themes; reviewing the

themes; defining the themes and writing up (Braun & Clarkes, 2006). The use of thematic analysis for data analysis in this study was motivated by the researcher's quest for in-depth analysis of data and the need for achieving exploratory depth concerning the phenomenon under investigation. The thematic analysis also provided the groundwork necessary for analysing frameworks of human behaviour, thinking and feeling (Javadi and Zarea, 2016; and Alhojailan. 2012). Using the thematic data analytical framework, the researcher explored complex matters such as leadership succession and identified multiple perspectives and themes from the questions asked. The analysis also allowed for the integration of insights emerging from the review of literature of succession planning and the impact it makes on the sustainability as well as performance within family businesses (Bryant & Charmaz, 2007).

The process of data analysis in studies with a qualitative component also entails that the researcher work with data, organising it into codes, breaking it down and iteratively synthesising it again in search of emerging trends and patterns (Lawrence and Tar 2013). Figure 4.3 below is a schematic representation of how thematic analysis is approached as a data analysis framework.

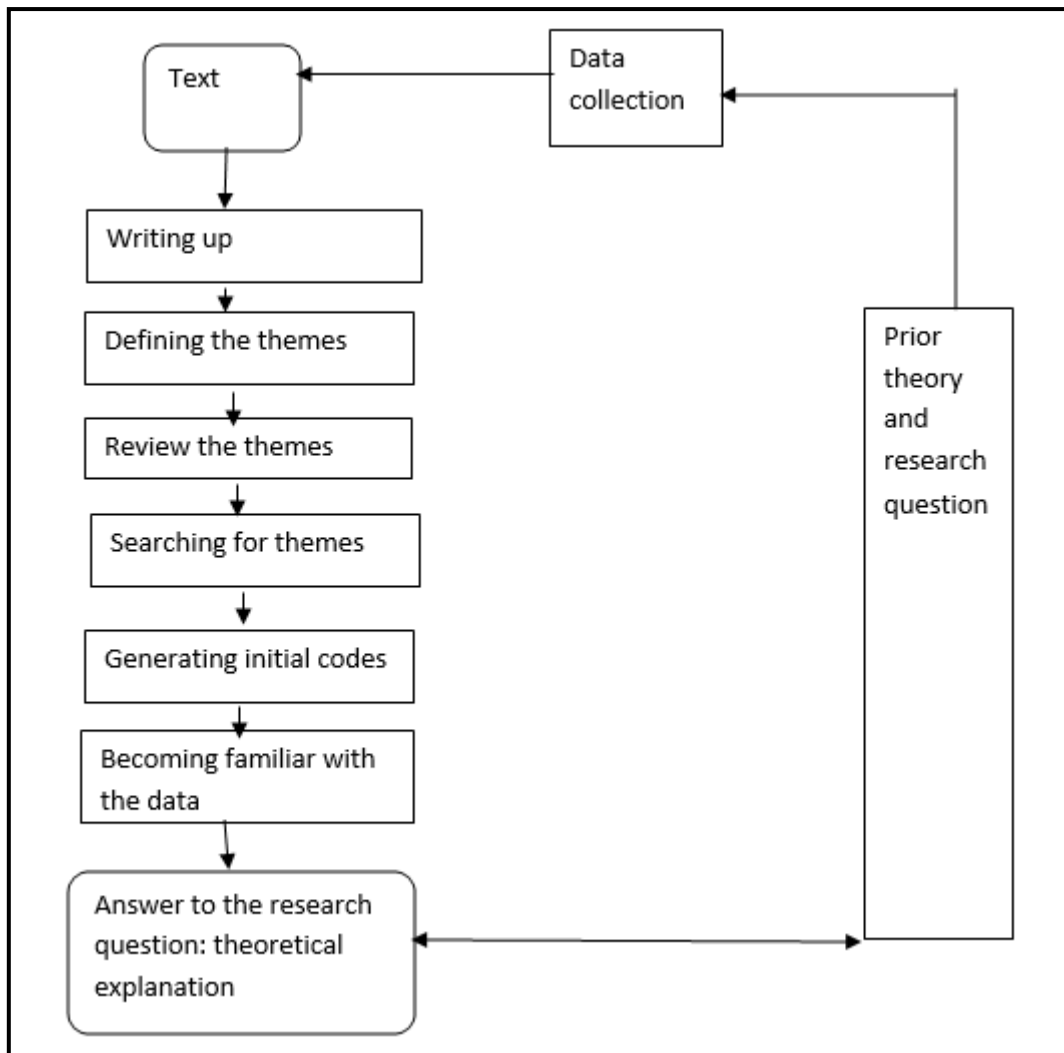


Figure 4.3: Thematic data analysis framework

The researcher also used a qualitative analysis software tool known as Atlas.ti version 8. Atlas.ti is described as a qualitative software tool which is very helpful for analysing qualitative data as well as in the coding processes (Smit, 2002). It shows the of quotations that are associated to a code or a group of codes across all participants. It also serves as a platform that allows the researcher to organise data in a meaningful way by providing a thorough general picture of the project referred to its Hermeneutic Unit (HU), which enables instantaneous search and retrieval of information related to the project. Another interesting feature that Atlas.ti provides is a network-building feature that facilitates theory building by surfacing interconnections between codes at different levels of analysis.

#### **4.7 PRE-TESTING OF THE RESEARCH INSTRUMENTS: QUANTITATIVE AND QUALITATIVE INTERVIEW GUIDE**

Pre-testing is a situation whereby the researcher administers the questionnaire or conducts semi-structured interviews on a smaller portion of the population to determine the suitability of the data collection strategy of the main study. The data collection process consists of two stages, namely pre-testing and the main research study (Hilton, 2015).

The researcher conducted the pre-testing to ascertain the possible challenges that may have occurred with the research measurement instruments such as repetition questions, questions which may compromise the confidentiality of participants, perplexing interview questions, possible fieldwork errors and the suitability of the length of the interview. The pre-testing involved two family-owned businesses in Kimberly. Through the pre-testing exercise, the researcher managed to adjust the questionnaire and the guide for semi-structured interviews. Some of the improvements that were made included avoiding writing the company names, avoiding repeating the questions and to ensuring that the objectives were achieved.

#### **4.8 ANALYSIS OF QUANTITATIVE DATA**

In this study, quantitative data analysis from the questionnaires acted as a means of discerning and examining patterns and trends of data generated. This was part of information that informed structure of semi-structured interview questions. Quantitative data analysis also, as Creswell (2009) pointed out entails the turning of raw numbers into some kind of sensible data. It can be done in many ways, for instance, calculating frequencies of variables and then making meaning out of this through rational and critical thinking.

To process quantitative data, the researcher made use of IBM SPSS Version 25, which is a statistical analytical tool. This helped the researcher in developing descriptive findings regarding the demography of the participants and the inherent trends in their experiences of leadership succession planning. The researcher further used SPSS to test the associations of data generated in the quantitative analysis. It is also important to highlight that when testing the associations, the researcher did not use Spearman's rank correlation coefficient and Kendall's correlation coefficient

because the frequencies were below five (Taylor, 1987). Consequently, to test associations, the researcher used the Fisher's exact test, which computes the *p-values* directly.

#### **4.9 ANALYSIS OF QUALITATIVE DATA**

Qualitative analysis is an investigation which is non-numeric and interpretation of what the researcher is observing to come across patterns of observed behaviours and hidden meanings (Barbie, 2011). Creswell and Creswell (2018) state that the procedure involved in making meaning out of the data collected is known as data analysis. She further points out that making sense of the collected data consists of reducing, integrating, and interpreting what the participants said and what the researcher read and witnessed.

This view resonates well with Yazan (2015) where he pointed out that data analysis involves the method of making sense of the data generated through the interviews by classifying and rephrasing the data through the means of visuals and narratives. Qualitative analysis of data entails relating the research findings to the literature review to validate the results (Ajagbe, Sholanke, Isiafwe & Oke, 2015).

According to Smit (2002), the analysis of data in qualitative research entails ongoing iterative and emerging process. The first step in qualitative data analysis involves coming up with relevant codes or categories to describe the collected data. Then analysed data can be arranged into classifications derived from themes or concepts and features which are similar. The researcher could create new concepts within the relationships among the ideas explored in detail and the emerging categories (Saunders *et al.*, 2016)

In this study, the researcher first started by transcribing the interview recording into text. She read the transcriptions while listening to the audiotape again and she edited it where necessary. This was followed by data analysis by making sense and meaning of the data that the researcher collected through the 15 semi-structured interviews. Thus, the researcher had to read and re-read all the 15 semi-structured interview transcripts to fully comprehend them. As discussed earlier, Atlas.ti was used for analysing the data. Thus, the researcher loaded the transcribed interviews into Atlas.ti computer software. She then classified the data by assigning data into categories and

identified the formal connections between them (Smit, 2002). The researcher further examined the peculiarities and variations and identified patterns after classifying the data. She further studied the correlations between the different categories.

#### 4.9.1 The steps that the researcher followed during the qualitative data analysis process

During the data analysis process, the researcher followed the five stages illustrated in figure 4.4 below in analysing the 15 transcribed semi-structured interviews:

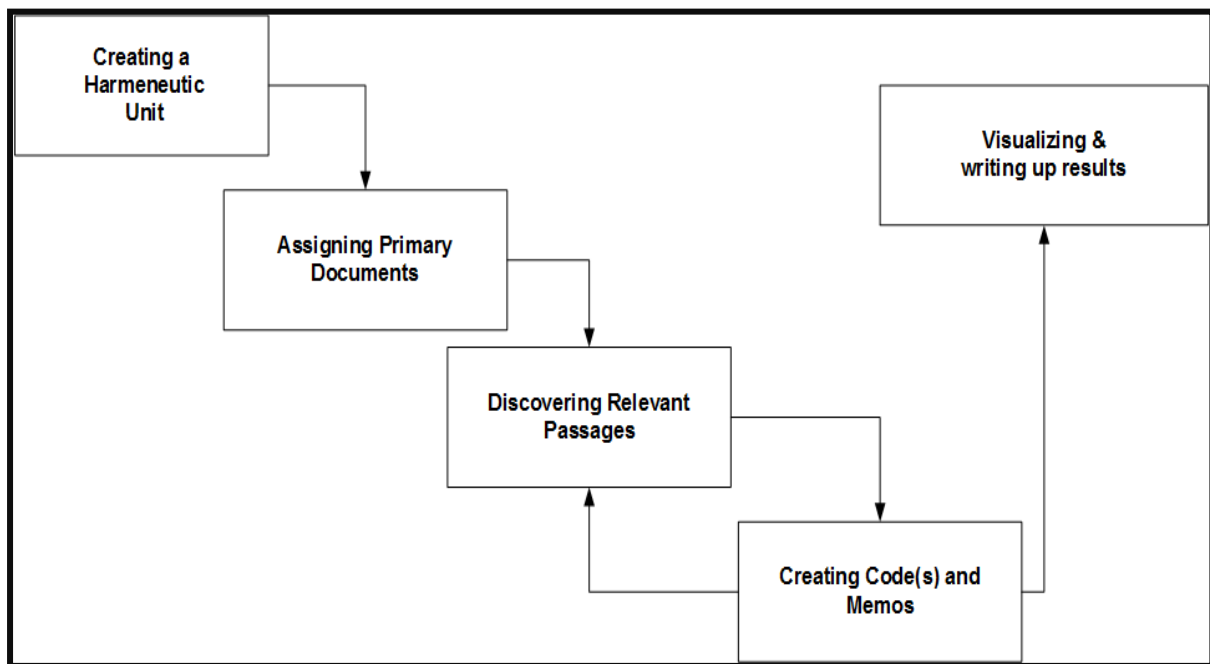


Figure 4.4; *Atlas.ti qualitative data analysis*

Source: *Atlas.ti 8 Windows User Manual*

#### Stage One

In the first stage, the researcher created a new project in the HU, namely the conceptual model for the family business. In other words, the name of the HU for this project was a conceptual model for the family business (Annexure 1V). Thus, the information file for each project in Atlas ti is delivered by the HU. The HU encompasses all the information that is related to the project and reside in the electronic environment. The HU in this project was thus activated by selecting a single file, and all the associated materials were then activated automatically.



## **Stage Two**

In the second stage, the 15 transcribed semi-structured interviews were uploaded, and codes were assigned to each of them.

## **Stage Three**

In the third stage, the researcher designated the quotations from the primary documents (in this case, 15 uploaded files for conceptual model for a family business project). The researcher first highlighted the quotes which were to be coded. She highlighted 38 quotations. Consequently, the coding scheme was activated and when the process of coding proceeded the double codes merged into a single, distinctive code that mirrors the phenomenon in focus and the analysis thus yielded 19 codes (Annexure IV).

## **Stage Four**

In the fourth stage, the new codes which were created were then reviewed after the preliminary coding process of the transcripts interview and were then grouped into themes or superordinate codes. During this stage, some of the codes that were created were dropped later in the coding process because they were not strongly related to the research questions that the study wanted to answer.

## **Stage Five**

In the fifth stage, the themes or code family were created. Thus, the codes were then clustered according to the themes or families. Morgan (2014) described a family or theme as the association between the codes that are presented in the visual format called a network. The network family was enriched by specifying the type of associations that existed between the codes. This process helped the researcher in scrutinising the hidden meaning in quotations or data. In Chapter Six, the researcher discusses the findings based on data analysis, and all these network diagrams are illustrated and discussed in detail.

#### **4.10 RESEARCH ETHICS**

This study was conducted within the ethical guidelines of the UNISA, particularly the ethical obligations spelt out in the Department of Business Leadership policy document for ethics in research. Given the personal and sensitive nature of issues around leadership succession planning, the researcher also ensured that the confidentiality of the participants was protected during the entire research project. Closely related to this, the researcher also assured study participants that all data generated in this study would be used specifically for this study only and nothing else. All data will thus be used for the sole goal of the partial fulfilment of the researcher's completion of her Doctorate in Business Leadership.

In addition to the above institutional ethical measures, the researcher also ensured informed consent from all the individuals who participated in this study. Getting informed consent entails that the researcher engaged each of the prospective participants meaningfully, honestly explaining the goals and objectives of the study (Wallace & Sheldon, 2015). Closely tied to this issue of informed consent, the researcher clarified how the potential research participants would benefit, if at all, from their participation in this study (Golafshani, 2003).

Ethical issues, such as getting informed consent, were also handled as an ongoing process of establishing and sustaining a trusting and empowering relationship between the researcher and the research participants, (Wallace & Sheldon, 2015). Tauri (2018) asserted that getting informed consent must be seen as a once-off event but an ongoing in relation to the research participants.

Therefore, having consent forms signed was only a part of the entire process of developing a good rapport and trusting relationship with the targeted research informants. Hence, the issue of informed consent and voluntary participation was upheld highly throughout the study processes (Yin, 2009; Creswell 2009). Yin (2009) highlighted the importance of obtaining consent from prospective informants and argued that it is essential that the researcher be honest about the objective of the study and the nature of participation required from the informant.

But also critical is the need to inform and assure targeted research participants that they have the right to opt out of this study as and when they see it necessary. Being

highly ethical in the manner in which a review is conceptualised, designed and carried out was as both vital in any study (Adams, 2015; Golafshan, 2003). The same scholars argued that being ethical adds to the credibility and trustworthiness of the findings of a survey.

#### **4.11 ENSURING RELIABILITY AND VALIDITY**

Reliability is concerned with the consistency of a measure, whereas the term validity denotes the questionnaires' ability to measure that it is expected to measure (Wallace & Sheldon, 2015). Trustworthiness is the degree of confidence exhibited in data, analysis and methods used to guarantee the quality of the study (Polit & Beck, 2014). Although most researchers agree on the necessity of considering trustworthiness in studies, debates on what really constitutes criteria of trustworthiness has emerged in academic forums trustworthiness (Leung, 2015).

Although the trustworthiness of mixed methods is less likely acceptable to many critics, strategies for enhancing the robustness of this form of research exists (Shenton, 2004). It is also important to note that validity and reliability of data generated is determined by how research questions are developed, and the level of pilot testing done (Saunders *et al.*, 2016). As for the questionnaire, validity can be ensured by making sure that the questions making up the questionnaire make sense concerning the nature and purpose of a particular study. Table 4.3 below illustrate how the researcher ensured that there is internal alignment throughout the study.

In addition to the above measures the study ensured reliability and validity of the questionnaire and interview guide by conducting a pilot study with a small number of respondents and participants. In addition, a family business academic expert and a practitioner were requested to go through the data collection instruments in order to identify the adequacy, clarity and correctness of the contents of the instruments. These activities helped in refining and improving the instruments.

Adams (2015) also argued that while the reliability and validity in studies of a quantitative orientation depend on instrument construction. However, in qualitative studies, it is the researcher who plays the role of the instrument. Based on these insights, the researcher deployed the following strategies to enhance the validity and reliability of this study.

#### **4.11.1 Use of different data collection instruments**

The researcher used more than one way of collecting data and insights from the prospective research participants. The use of multiple means of collecting data helps to improve the validity of the study in that it allows for triangulation of generated data (Creswell and Creswell, 2018; Yin, 2017). Hence as already alluded to, the researcher collected data using a questionnaire survey and followed up with semi-structured interviews. Data generated at each stage was corroborated by data generated in the other steps.

Information and insights on how leadership succession planning is conceived, managed, and its impacts on the performance and sustainability of the family-owned business were triangulated at each different stage of data collection. Closely linked to this strategy of triangulation, the researcher made an effort to provide a detailed profile of each of the interviewed research participant. Doing this provided the context against which the data generated was understood, and its trustworthiness evaluated (Shenton, 2004). It is for the same reason that the researcher also carefully chose the research participants, aiming for those that Yin (2017) refers to as data-rich cases or informants.

#### **4.11.2 Prolonged engagement with research participants**

Prolonged communication with all the research participants was also critical for improving the validity of this study. This was done in different ways. First, and as already stated above, the researcher used a two-phased data collection protocol which allowed space to continue engaging with the selected research participants, making follow-ups, and probing on some emerging issues. For example, the semi-structured interview allowed the researcher to continue eliciting information from the same participants who participated in the questionnaire survey.

Maintaining contact and continued engagement with most of the research participants strengthened the relationship and trust between the researcher and the participants, thus improving the chances of getting deeper insights regarding succession leadership planning and its impact on business sustainability and general performance of business enterprises owned by a family's business (Creswell and Creswell, 2018; Tauri, 2018).

#### **4.11.3 Frequent debriefing and review by peers**

The researcher presented and shared her work and emerging findings (chapters) as they developed through to its conclusion, with fellow students and other critical and relevant audiences such as UNISA Colloquiums. Such sharing and peer review improved the credibility and validity of this study (Shenton, 2004). The notion of presenting the research as it progresses is what Shenton (2004: 67) termed to as “frequent debriefing” which in the case of this study also entails the frequent communication and supervision meetings that the researcher had with her supervisor. Frequent debriefing helps the researcher to get feedback from peers, academics, and their feedback encouraged the researcher to reflect on how the study was developing.

#### **4.11.4 Reflexivity**

The researcher also drew on the notion of reflexivity (reflection) as proposed by Alvesson and Skoldberg (2017). Alvesson and Skoldberg (2017:245) said that reflexivity entails that the researcher thinks about the purpose and objective of the study being conducted and particularly ensuring that there is internal coherence between research methodology and theoretical framework underpinning the study. Therefore, the researcher continuously reflected on the relationship between the research focus, methods of collecting data, scrutiny and interpretation as well as the research design.

Put simply, it means the researcher remained alert of and took into consideration the dialectical linkages that exist among the different phases and processes of this study and how the theoretical framework being used influenced the interpretation of the data. Alvesson and Skoldberg (2017) further argued that reflexivity also means that the researcher must continuously think about his or her own biases and subjectivity throughout the data collection protocols. In the next section, a table of alignment illustrating how the researcher ensured the alignment throughout the study is presented.

*Table 4.3: Alignment of research questions; research objectives; research instrument; literature review; variable type and analysis*

<b>Research Questions</b>	<b>Research Objectives</b>	<b>Data collection tool</b>	<b>Method approach</b>	<b>Variable name (Concept/Construct)</b>	<b>Analysis method</b>
What are the relationship among factors?	To determine the relationships among factors	Quantitative methods	Questionnaire	Age of owner, location, size of family, type of business, position in the family, position in business, education, age of business, business management, business performance, income, leadership succession planning, etc	Correlation and test of association results using Fisher's exact test
What is leadership succession planning, and how is it understood by a family-owned business in South Africa?	To explore leadership succession planning and how it is understood by a family-owned business in South Africa	Interview Schedule	Qualitative methods	Leadership succession planning	Categorisation & Thematic Analysis
In what ways does leadership succession planning contribute to better business performance and sustainability	To investigate how leadership succession planning contributes to better business performance and	Interview Schedule	Qualitative methods	Leadership succession planning, business performance and sustainability	Categorisation & Thematic analysis

<b>Research Questions</b>	<b>Research Objectives</b>	<b>Data collection tool</b>	<b>Method approach</b>	<b>Variable name (Concept/Construct)</b>	<b>Analysis method</b>
within family-owned business enterprises?	sustainability within family-owned business enterprises				
What are the factors affecting successful leadership succession planning in businesses run and owned by families in the context of South African?	To find out the factors affecting successful leadership succession planning in family-owned business enterprises in the context of South Africa	Qualitative methods & quantitative methods	Interview schedule & Questionnaire	Age of owner, location, size of family, type of business, position in the family, position in business, education, age of business, business management, business performance, income, leadership succession planning, etc	Categorisation & Thematic analysis
What are some of the practical guidelines that business owners should consider in leadership succession planning in order to enhance performance and sustainability	To develop a model to enhance leadership succession planning	(Qualitative results)	Qualitative method	All the abovementioned key variables	N/A

#### **4.12 SUMMARY**

This chapter provided information relating to how the researcher undertook this research project. Chapter Four provides an overview of the overall study design as informed by the researcher's ontological and epistemological worldviews about knowledge and how it can be generated. Chapter Four also presented the mixed method approach and motivated why it was chosen as the most suited method for undertaking the study.

The use of a two-phased data collection protocol, together with the rationale for each of the stages is also given in this chapter. A brief discussion of how the collected data was managed and processed was then given. The chapter moved on to present the thematic data analytical framework, pointing out why it was used and how it was structured. Issues of research ethics, and how to ensure validity and reliability were also covered.

Hence, as its heading denotes, Chapter Four is a representation of the research methodology. Data generated using questionnaires is presented and discussed in the next chapter.



## **CHAPTER FIVE: QUANTITATIVE DATA ANALYSIS AND FINDINGS**

### **5.1 INTRODUCTION**

Chapter Five presents data generated from the questionnaires, that was used as one of the data collection instruments. Questionnaires were used to collect both quantitative and qualitative data, which when analysed produced descriptive findings related to the demography of the respondents, the emerging correlations and trends in their experiences of leadership succession planning and how it affected their business performance and sustainability. Data generated qualitatively is presented and discussed later in chapter six hence chapter five focuses explicitly on the presentation and discussion of quantitative data as it relates to the research questions asked in this study.

The chapter is structured to cover the following aspects:

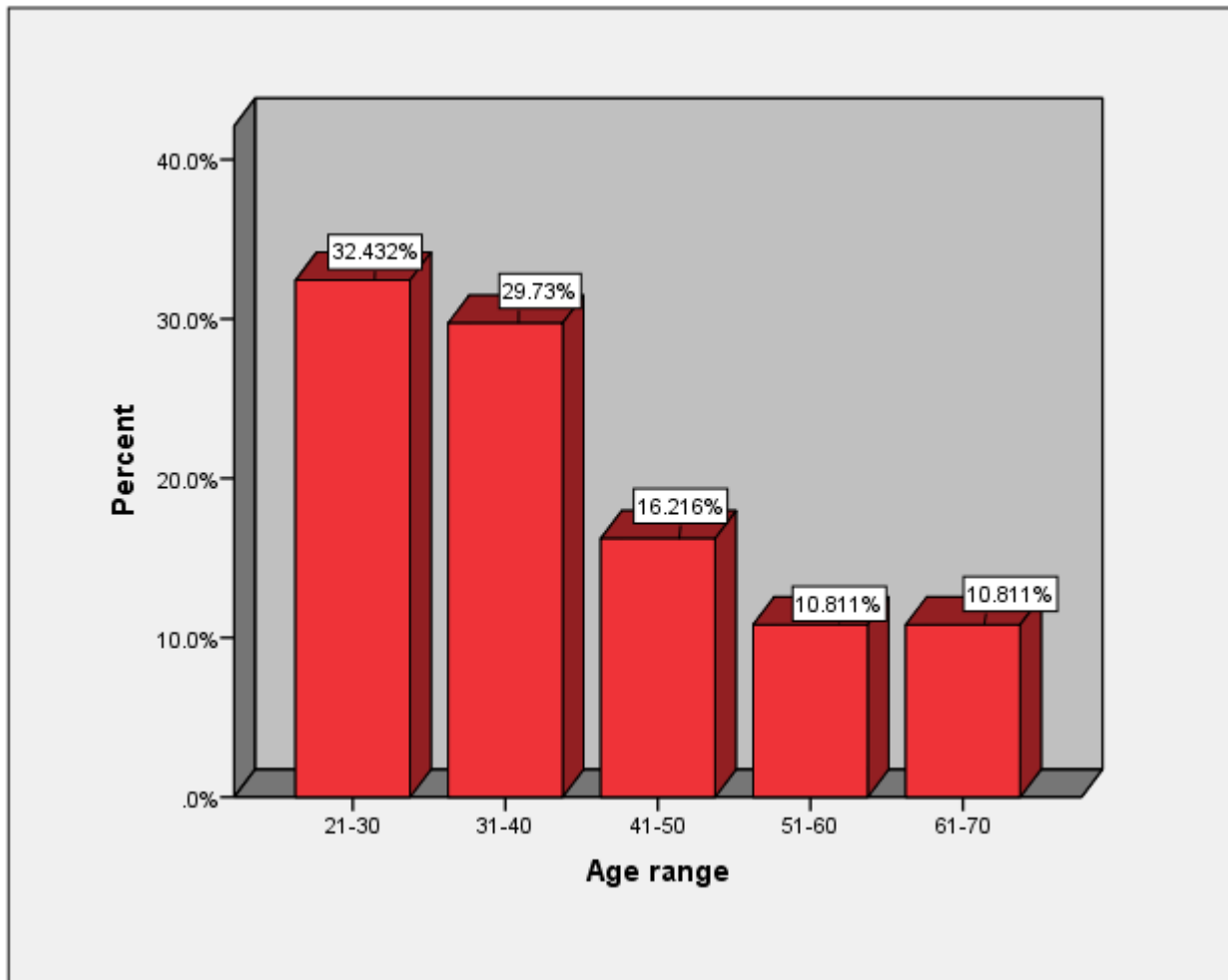
- Demographic information;
- About Family business;
- Understanding of leadership succession planning; and
- Leadership succession planning and business performance and sustainability.

An interpretation of demographic findings about how leadership succession planning was managed and experienced across the different provinces of South Africa including correlation between the observed trends and factors affecting leadership succession planning is also presented.

### **5.2 DEMOGRAPHIC INFORMATION**

Figures 5.1 to 5.7 show the demographic statistics. The questionnaires were administered to respondents who own and run family businesses in South Africa's selected seven provinces. Thirty-seven respondents representing different family-owned businesses responded positively to the questionnaire. Even though the responses came from 37 respondents representing seven provinces, it was also noted

that some of these family businesses had branches in other provinces. Generated demographic data is herein presented in the following figures below:

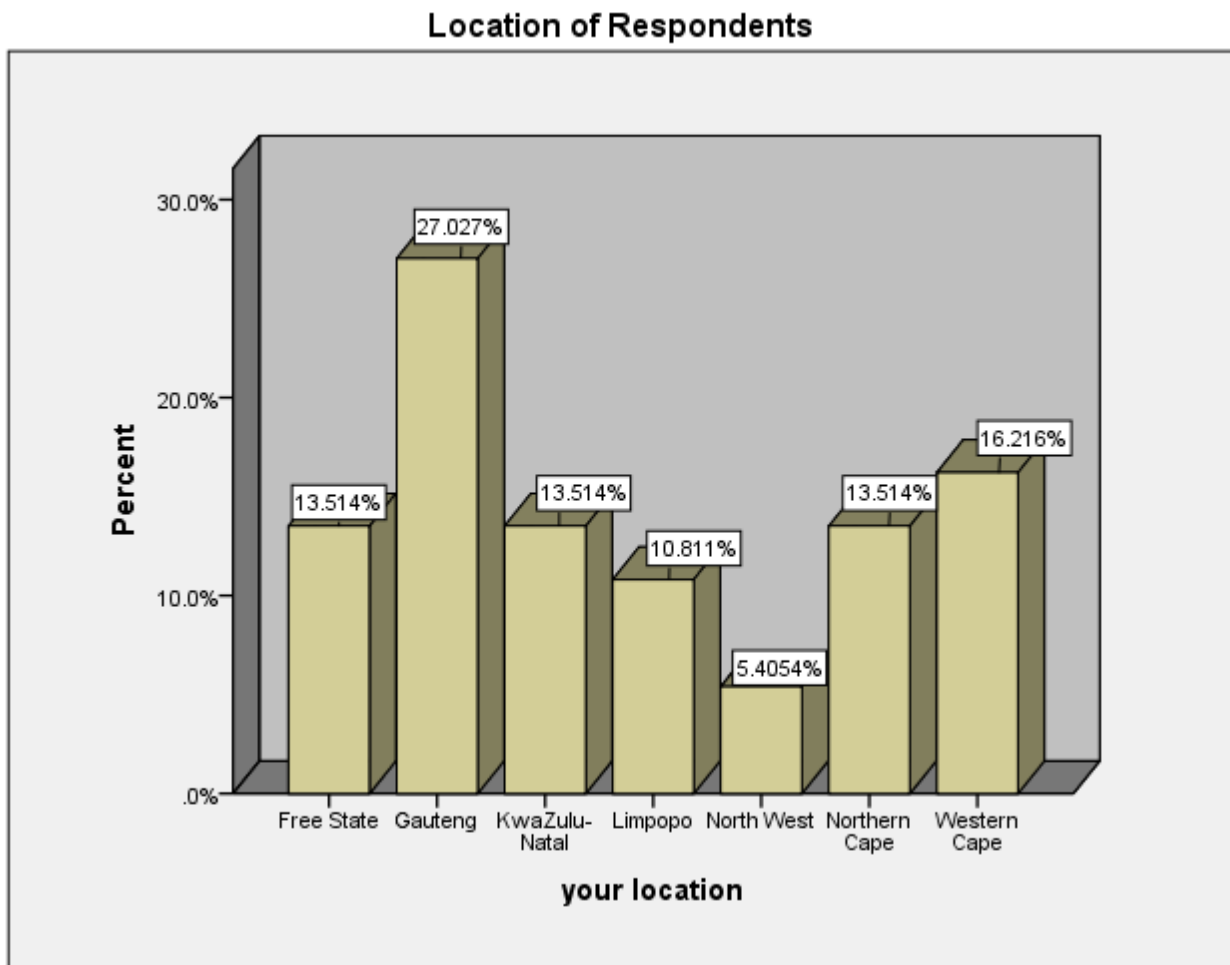


*Figure 5.1 Age range of respondents*

From the selected participants, an analysis of age range was done to ensure representation of all age groups. Age was regarded a critical aspect in studying the leadership succession in family business. The credibility of the study would be established after acquiring the information regarding age groups of the participants.

Figure 5.1 shows that the majority 32.4% of respondents are in the age range of 20-30 years, followed by 29.7% who were in the age range of 31-40. While 16.2 % percent were in the age range of 41-50 and the 2% respondents were in the range of 51-60 and 61-70, respectively. The results show that relatively young people in the age categories of 21-30 and 31-40 are the ones who are mostly running family businesses

which is a good sign that succession planning is prevalent in South African family businesses.



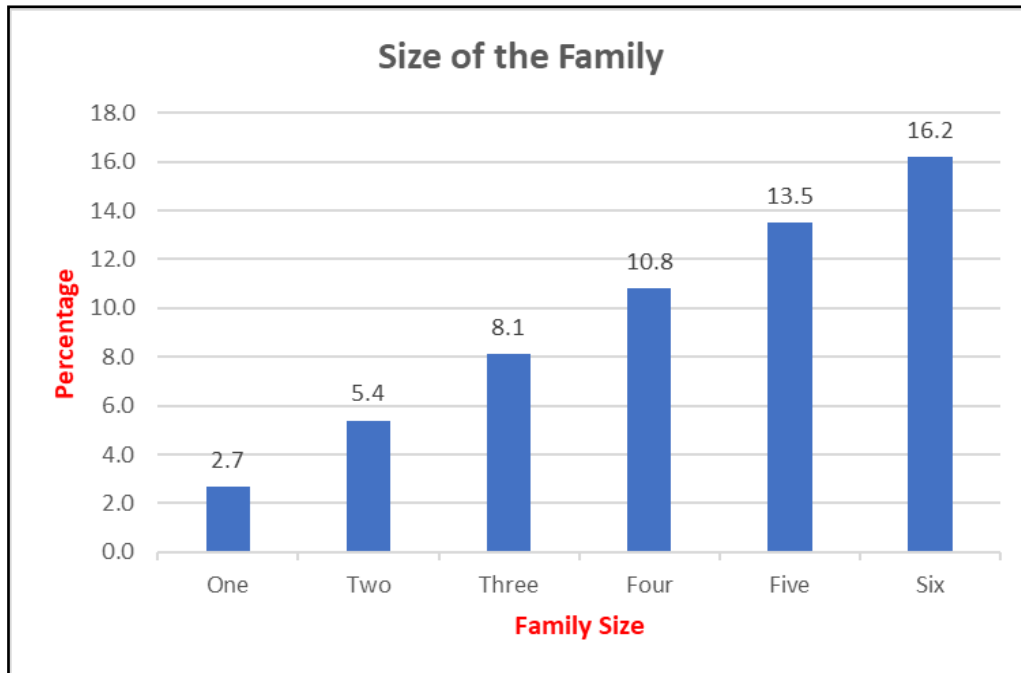
*Figure 5.2: Location of respondents*

Figure 5.2 shows that:

- 13.5% of the respondents were from Free state;
- 27% from Gauteng;
- 13.5% from KwaZulu-Natal;
- 10.8% from Limpopo;
- 5.4% from North West;
- 13.5% from Northern Cape; and

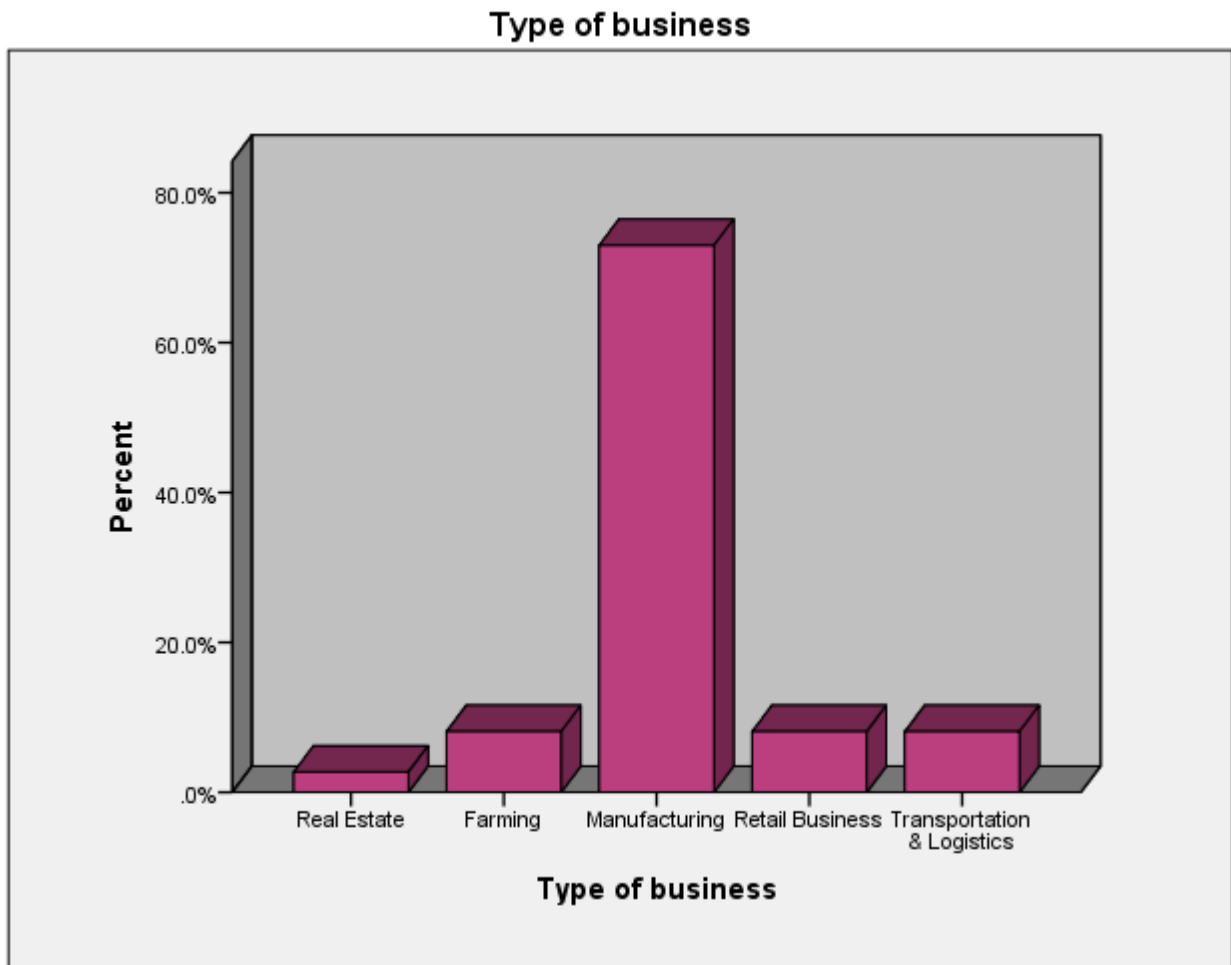
- 16.2% from Western Cape.

The results signify that Gauteng province hosts the majority of family businesses in South Africa as it is the industrial hub of the economy.



*Figure 5.3: Size of family*

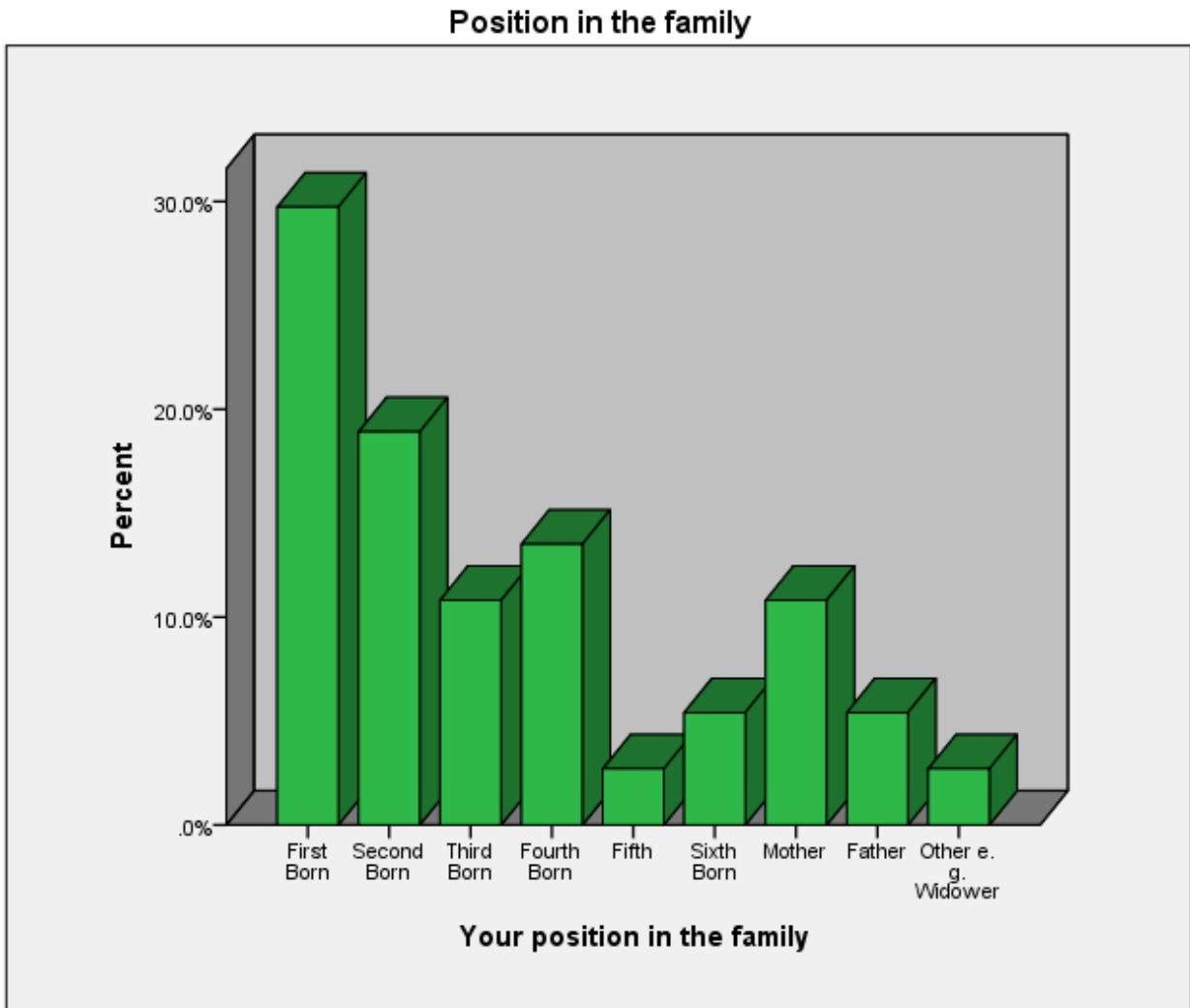
Figure 5.3 shows that the size of the family in the family business varies with 13.5% consisting of five family member each, 8.5% three family members, 10.8% four family members, 16.2% six family members, 5.4% two family members and 2.7% one member respectively. The results demonstrate that most family businesses are owned by relatively large families of between five and six members which is typical of an African family structure.



*Figure 5.4: Type of business*

Figure 5.4 shows that 7% of the family businesses are in the agriculture, hunting, forestry and finishing industries, 76% are in manufacturing, 7% are in wholesale and retail, repair motor vehicles and personal household goods, catering and accommodation, 7% are in transport, storage and communication and the rest 3% are in financial intermediation, insurance, real estate and business services

The results reveal that the majority of family businesses are in the manufacturing sector, probably because it is a sector which they find profitable, easy to run or with few barriers to entry.



*Figure 5.5: Your position in the family*

Figure 5.5 shows that 29.7% of the informants (those who filled in the questionnaires) are first born, 18.9% are second born, 10.8% third born, 13.5% are fourth born, 2.7%, fifth born, 5.4% last born, 10.8% were mothers, 5.4% were fathers and the remaining 2.7% falls into other categories such as widower. The results are indicative of the South African cultural convention where the first-born or second-born children are the ones expected to inherit and run a family business.

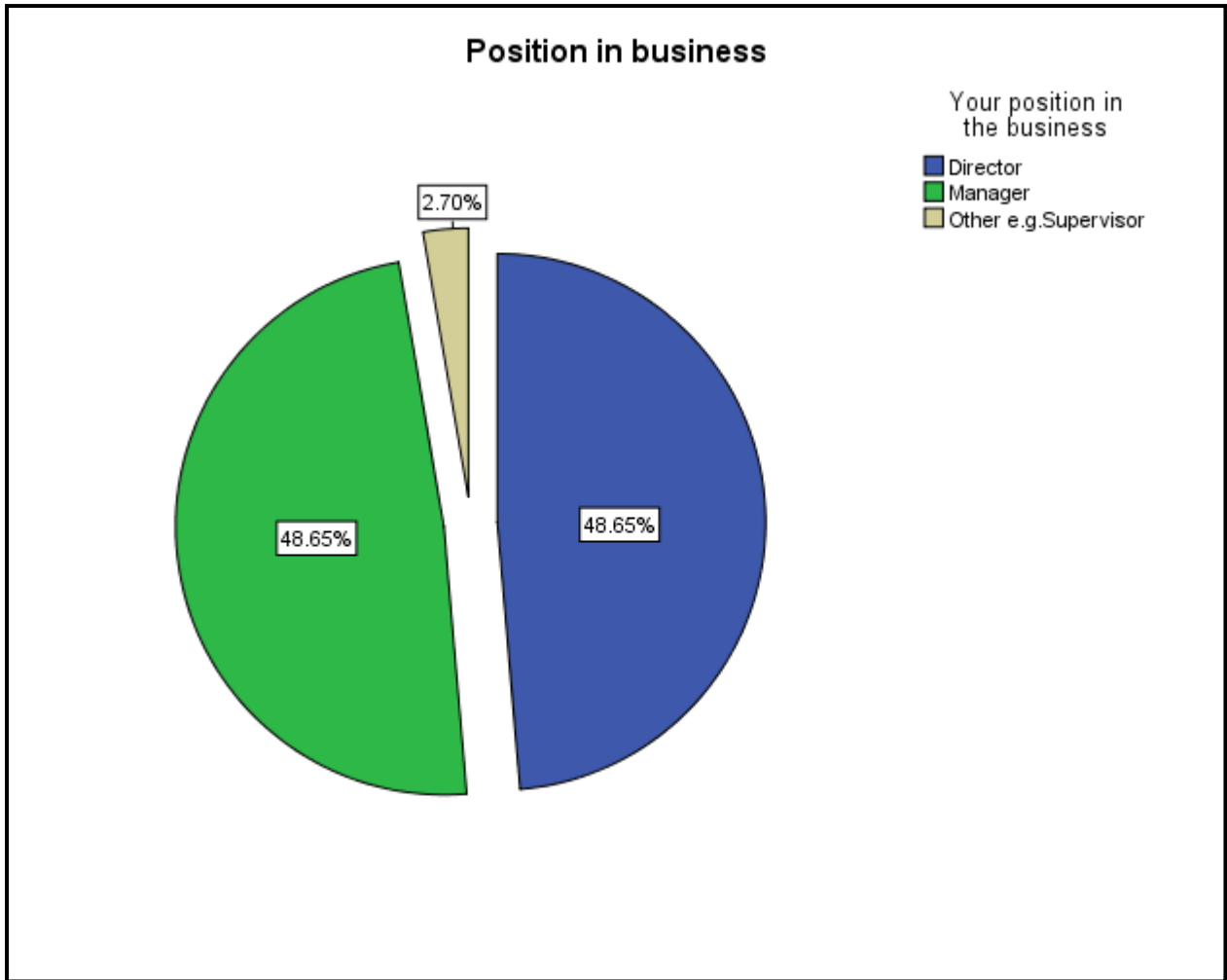
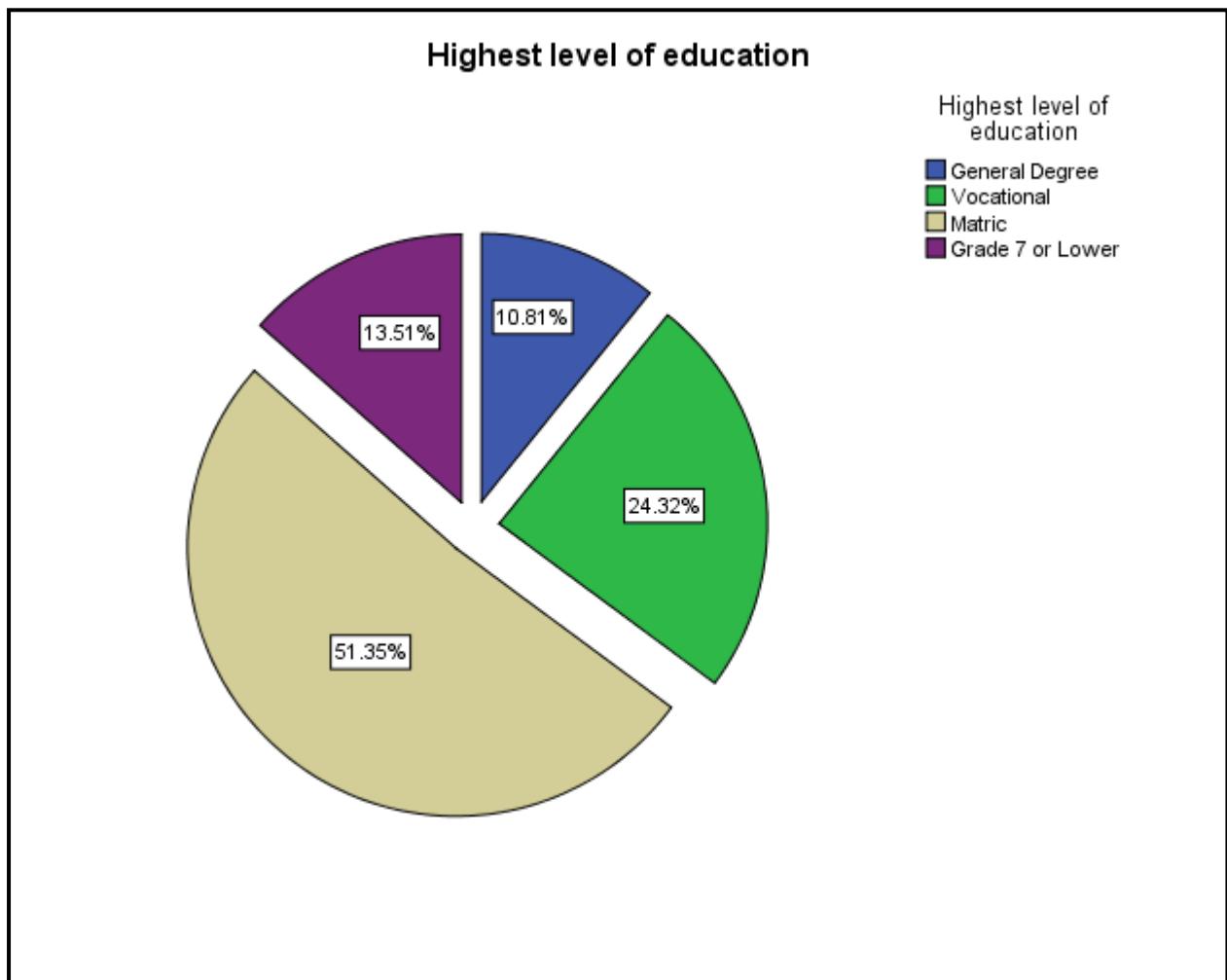


Figure 5.6: Your position in the business

Figure 5.6 shows that 48.6% of the family members are in the position of directors in the family business, 48.6% are in managerial positions while 2.7% fall into other categories. The results demonstrate that in a South African context, family members direct their businesses whilst other members play management roles and only a few are assigned to do any other responsibilities.



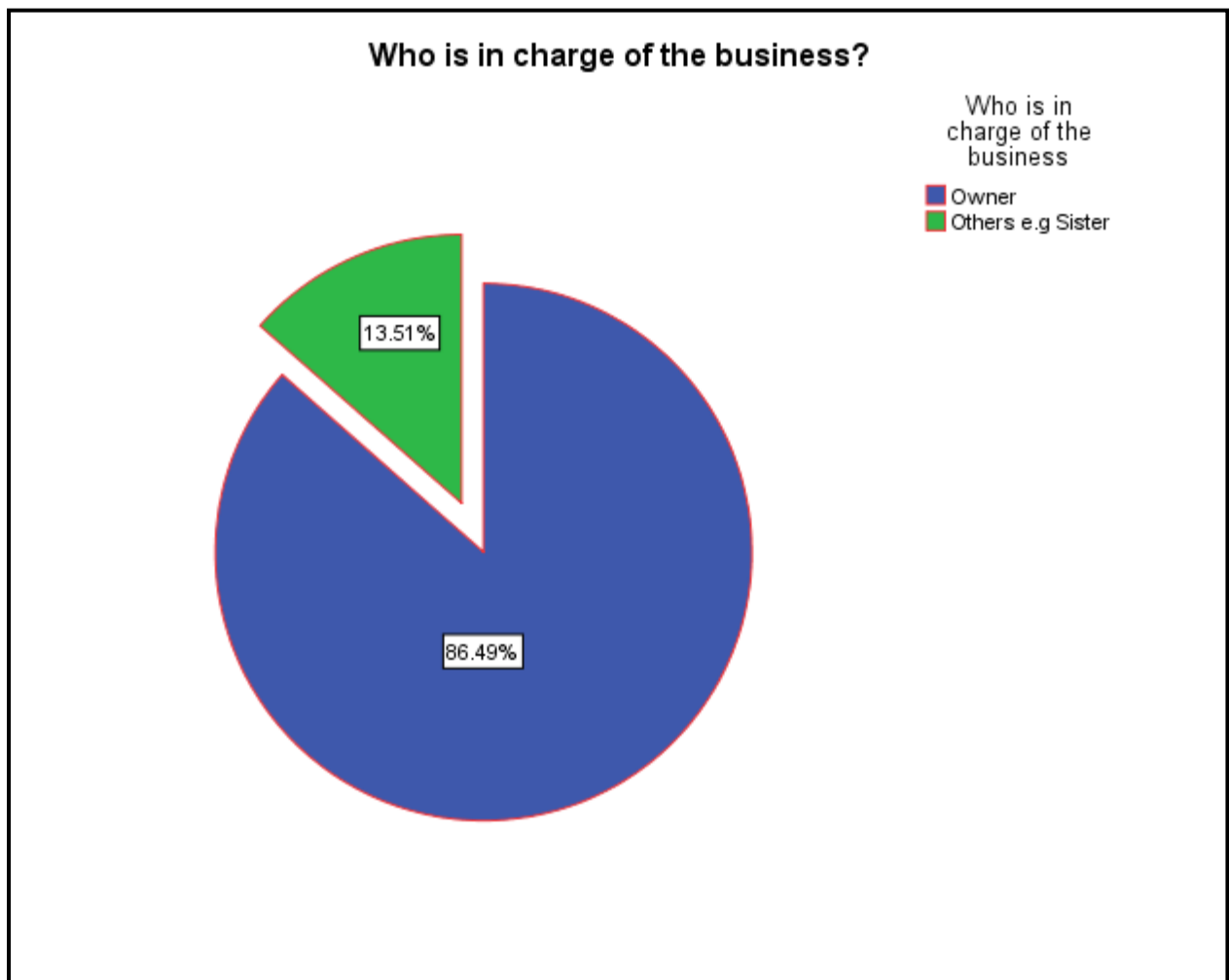
*Figure 5.7: Highest level of education*

Figure 5.7 indicates that 10.8% of the 37 family members have general bachelor's degrees, 24.3% have vocational education qualifications, the majority 51.4% have attained matric while 13.5% of these family members have grade seven or lower education qualification. These results are very interesting and will be discussed in detail later in this chapter. These results show that the majority of family business owners lack tertiary education, and this has a negative bearing on the management, performance and sustainability of their businesses.



### 5.3 ABOUT FAMILY BUSINESSES

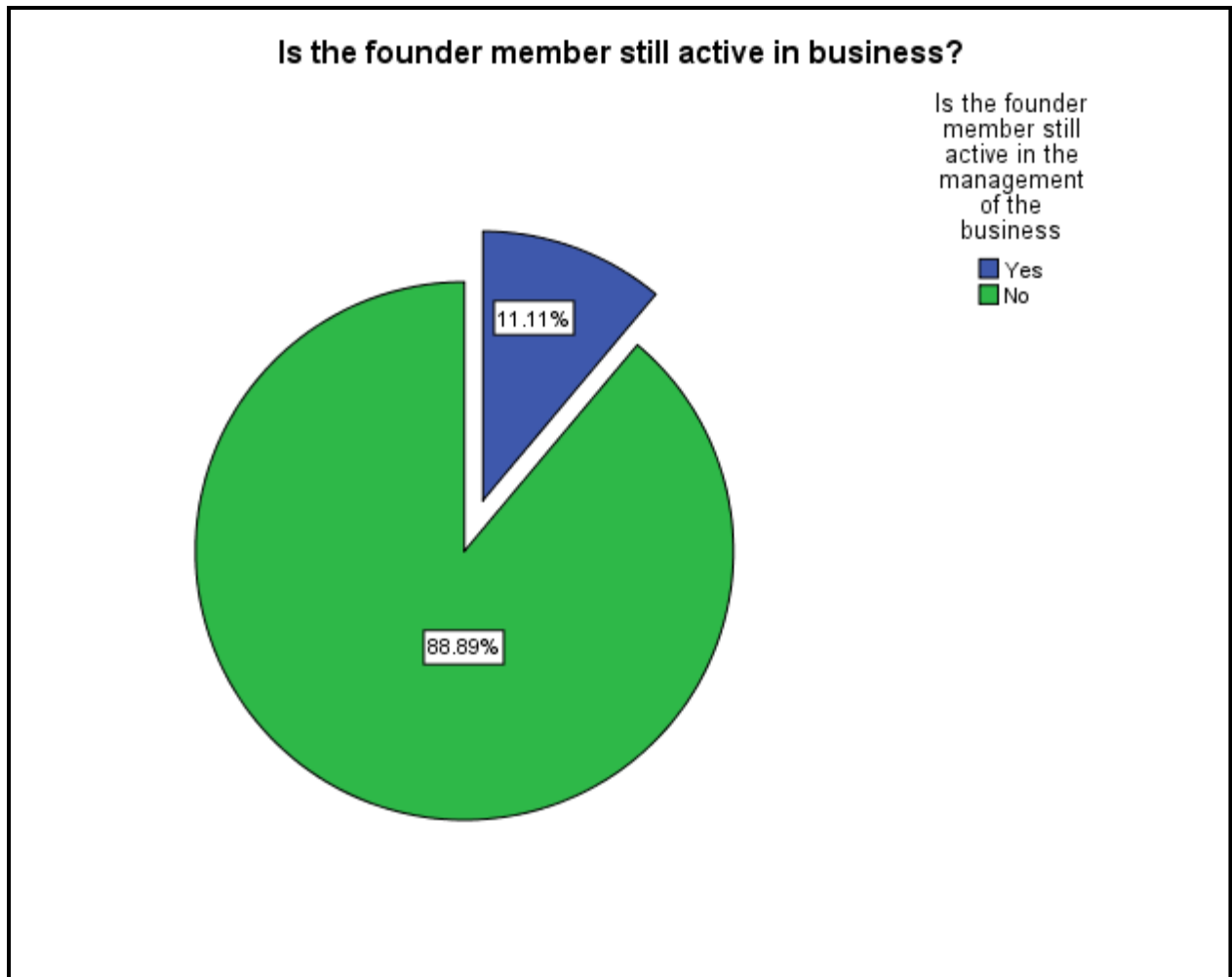
Figure 5.8 to 5.11 shows statistic about family businesses. Results presented include their size or net annual income. Management aspects of the family business and its area of focus are also presented. It is, however, essential to note that all these businesses have passed through several transitional episodes. Data about the family businesses covered in the study is presented in the figures below:



*Figure 5.8: Who is in charge of the business?*

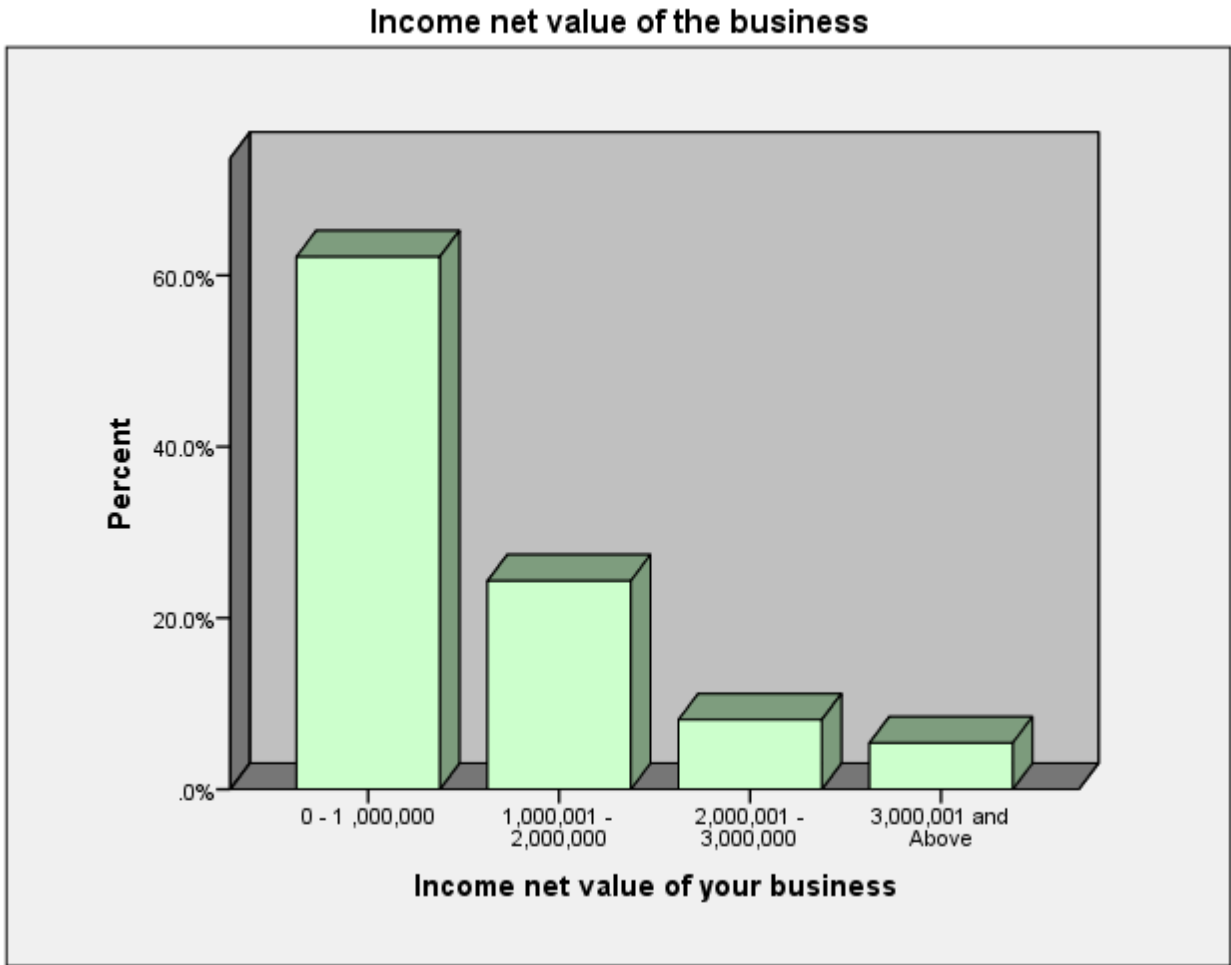
Figure 5.8 shows that 86.5% of the people in charge of the family business were owners while 13.5% were others such as sister to the owner of the company. The implication is that most family businesses in South Africa prefer to run the business on their own so that they are in control of the business. This has benefits in that there is

commitment, ownership and motivation on the part of the owners. However, if the family members lack professionalism and management skills, it could negatively affect the viability and sustainability of the enterprise.



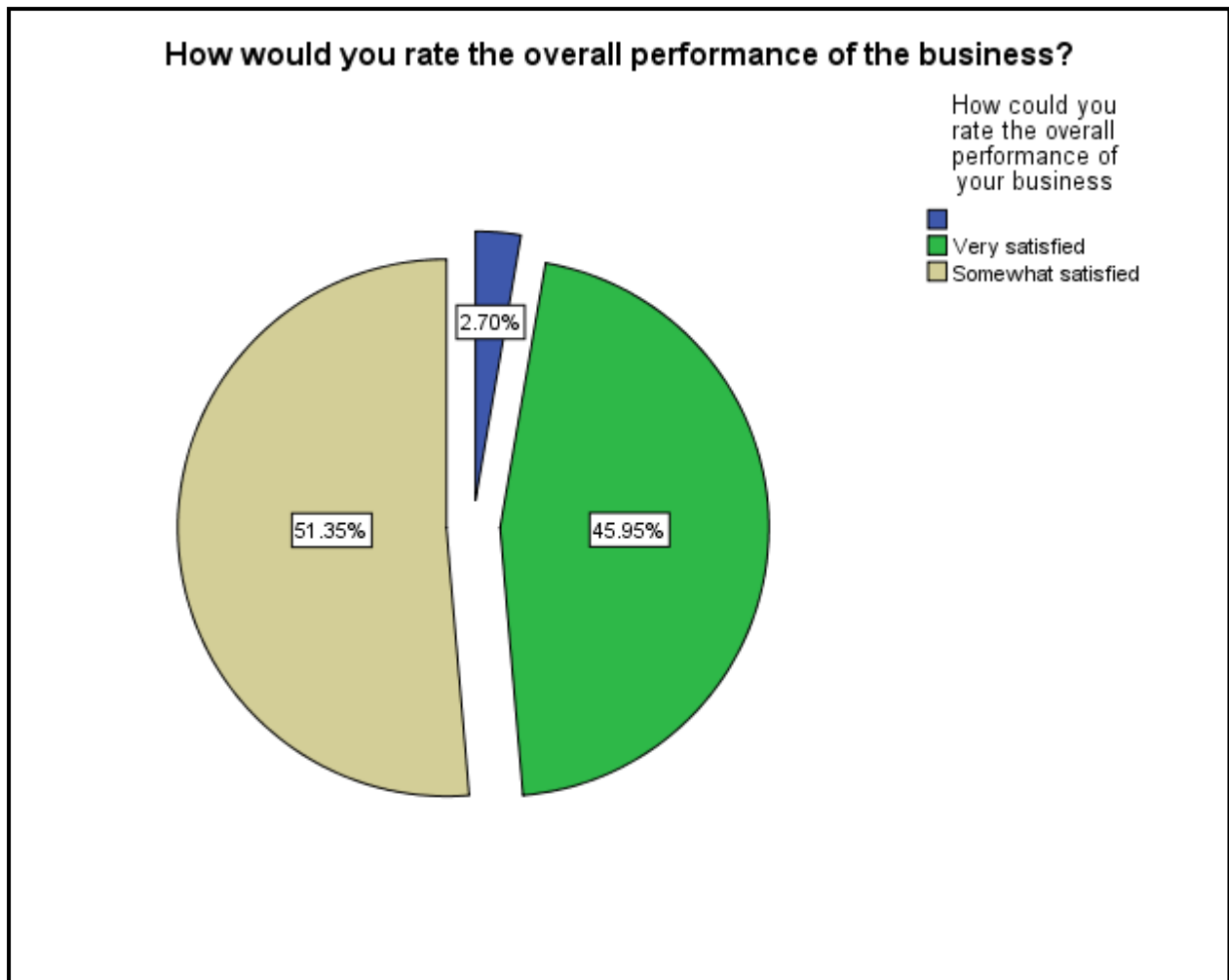
*Figure 5.9: Is the founder member still active in the management of the business?*

Figure 5.9 shows that 10.8% of the founder member of the family business was still alive and actively involved in the management of the family business. In comparison, 86.5% of the founder members of the family business are no longer active in the management of these businesses. The active involvement of founder members in the management of a family-owned business was one of the factors determining leadership succession planning, and this will also be elaborated on later in this chapter.



*Figure 5.10: Income net value of your business*

Figure 5.10 shows that 62.2% of the family businesses are in the income range of 0 - 1,000, 000 rands per year, 24.3% are in the range of 1,000, 001-2,000,000 and 5.4% was above 3,000, 001. This demonstrated the diversity and operational sizes of the 37 family-owned businesses covered by this study.



*Figure 5.11: How could you rate the overall performance of your business?*

Figure 5.11 illustrates that 45.9% of the 37 family members were very satisfied with the overall performance of their family-owned businesses. Also interesting was that 51.4% were somewhat confident with the overall performance of their business. It could already be showing how most of the family-owned businesses in South Africa are not doing as well as anticipated, reasons for this being varied and debatable.

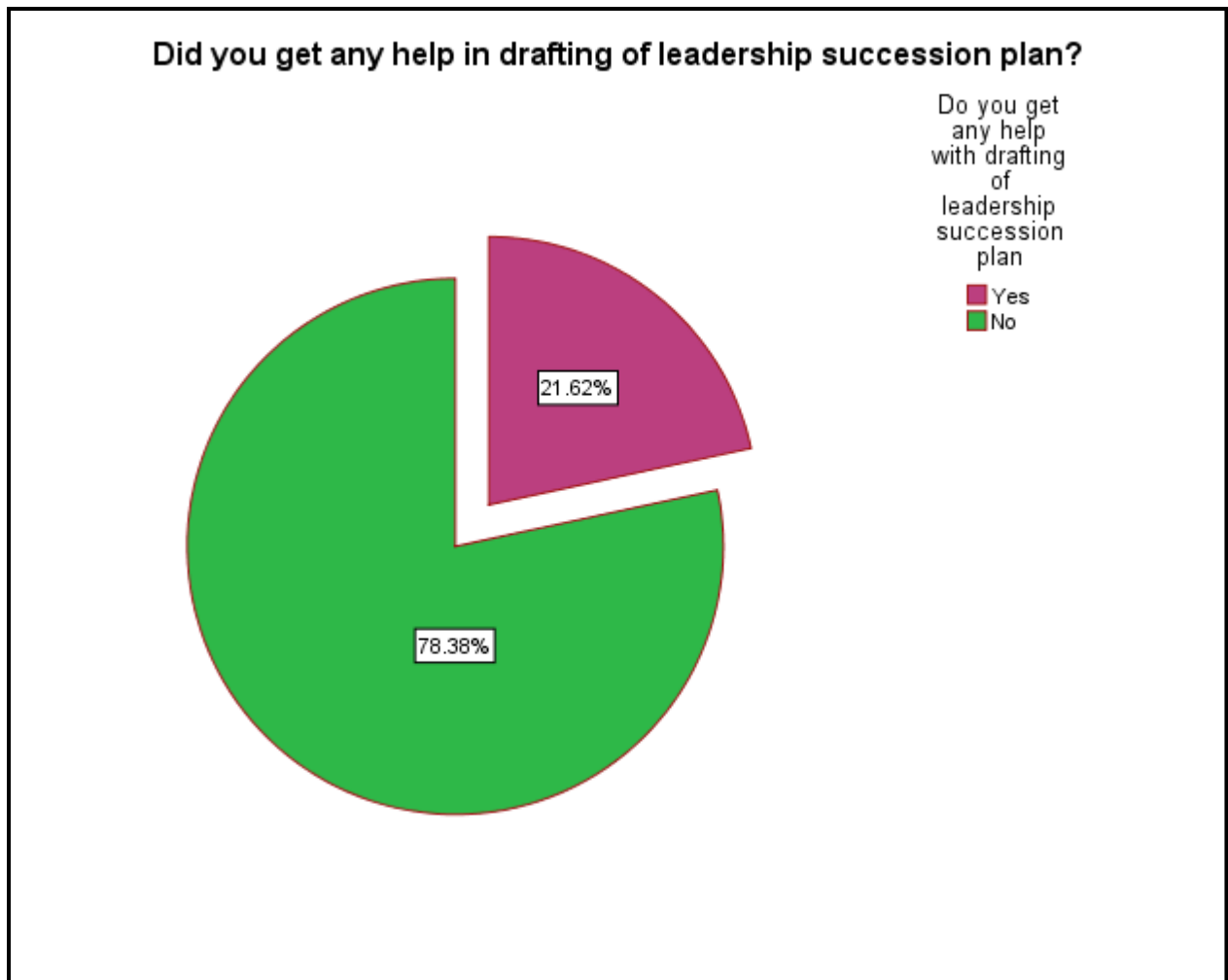
#### **5.4 UNDERSTANDING LEADERSHIP SUCCESSION PLANNING**

Figures 5.12 and 5.13 outlines statistical information relating to how leadership succession planning was understood within the context of family-owned businesses in South Africa. This information was vital for answering the main questions constituting this study. As reflected in Figure 5.13 below, this information also probed whether participating members of the family-owned businesses had received any form of training on leadership succession planning.



*Figure 5.12: Did you receive any training in leadership succession planning?*

Figure 5.12 shows that 29.7% of the respondents had received training in leadership succession planning, while the majority had not. Hence, 70.3% had not received any kind of training in leadership succession planning.



*Figure 5.13: Did you get any help with drafting the leadership succession plan?*

Similarly, Figure 5.13 also shows that only 21.64% of the family-owned business participating in this study had got help with the drafting of leadership succession plans while 78.4% had not received any help with the drafting of their leadership succession plans.

Asked to explain more on training received, respondents referred to a wide range of training opportunities that included, support from local training centres and training support from the local economic development unit of their municipalities. The nature of training and support was reportedly delivered through workshops and tended to be informal and unaccredited.

There were also a few numbers who had done degrees in business management where leadership succession was covered.

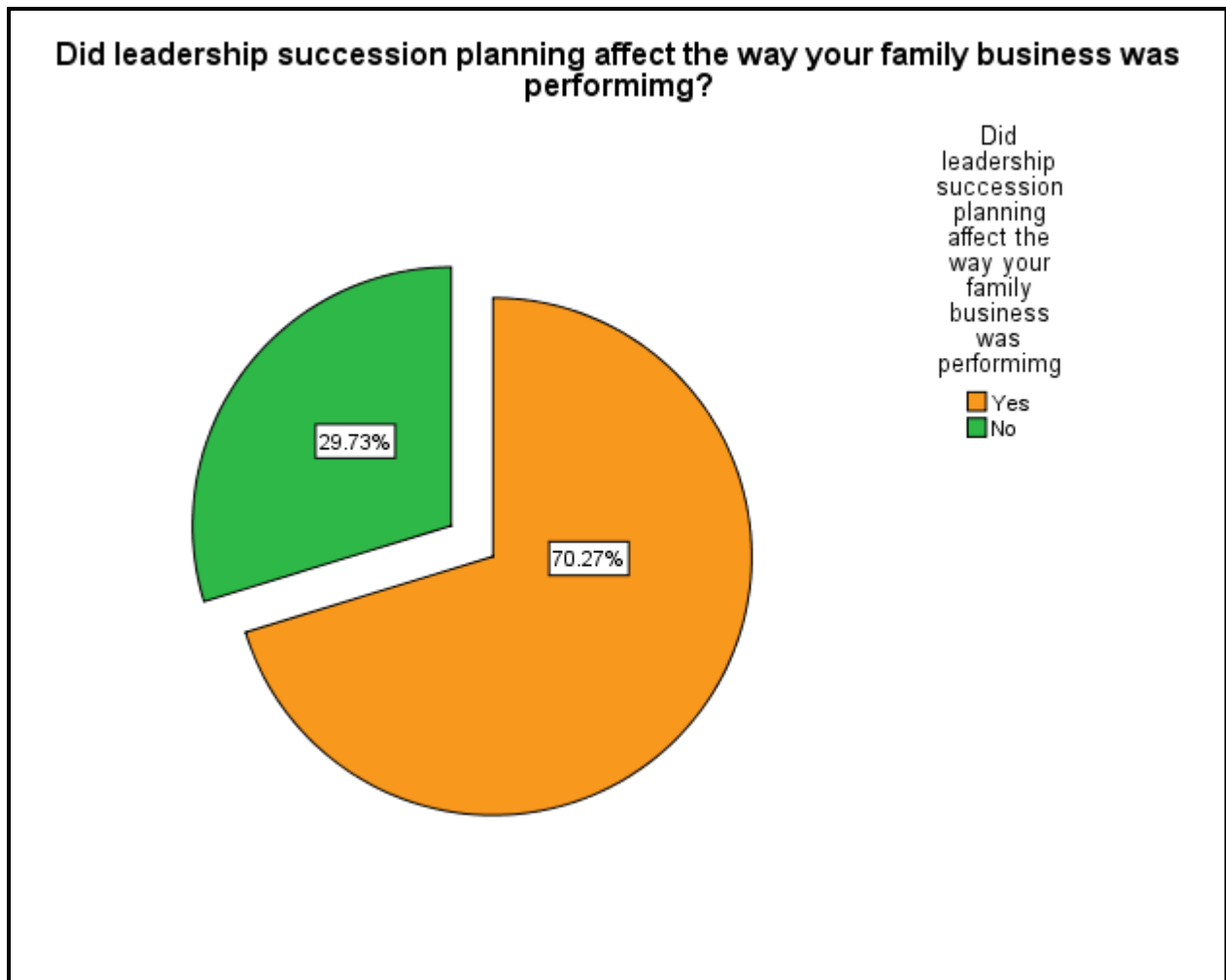


*Figure 5.14: How often is leadership succession planning reviewed?*

Figure 5.14 represents feedback gained from the 37 respondents on how often they review their family business succession plan. Only seven respondents (19%) said they review, and ten respondents (27%) said they do not check it while the remaining 20 respondents (54%) never reviewed it. It could allude to the reason that maybe the majority of the respondents do not have the leadership succession plan in place.

### **5.5 LEADERSHIP SUCCESSION PLANNING AND BUSINESS PERFORMANCE AND SUSTAINABILITY**

Figures 5.15 and 5.16 represents information illustrating the correlation ship between leadership succession planning and business performance and sustainability. This information talks to the experiences of the respondents in family-owned businesses concerning how leadership succession planning influences the profitability and sustainability of their companies. This information was of great value and relevance to the focus of this study.

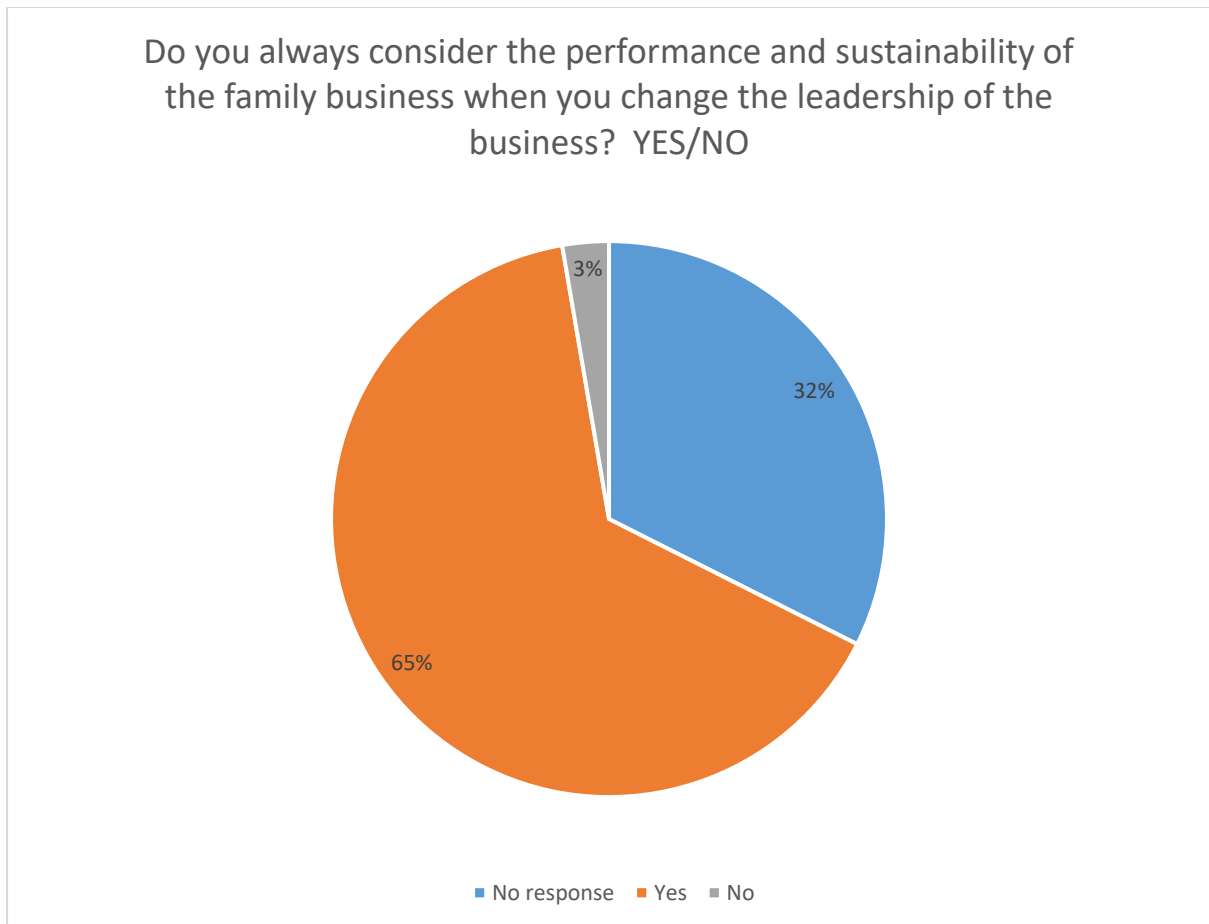


*Figure 5.15: Did leadership succession planning affect the way your family business was performing?*

Out of the 37 respondents who answered the questionnaires, 54% (n=20) said no to whether leadership succession planning had any influence on the performance and sustainability of their businesses. Seventeen respondents (46%) hinted that leadership succession planning had affected the way their businesses were performing. This result was followed up with interviews in which a range of explanations was given and is discussed at length under Chapter Six.

Asked to reflect on whether they always considered the performance and sustainability of family businesses when thinking of changing the leadership of their family businesses, some responses were gathered as presented in Figure 5.16 below:





*Figure 5.16: Considering the performance and sustainability of the family business when changing the leadership of the business*

Out of the 37 respondents, 24 (65%) confirmed that they always consider the performance and sustainability of their family businesses when planning to change its leadership and management. Twelve respondents (32%) reportedly said that they do not usually consider the performance and sustainability of the business anything in matters regarding change of control of their family businesses. One respondent (3%) did not talk about it.

## 5.6 CORRELATION AND TEST OF ASSOCIATION RESULTS

Correlations across the demographic data and emerging insights relating to leadership succession planning are presented under section 5.1. This chapter is an important step to fully answering the research questions asked in this study. The researcher used the Fisher's exact test, which computes the *p-values* directly instead of Pearson's

chi-square test of the association because some of the cells had expected frequencies that were below 5.

*Table 5.1: Age range and type of business cross tabulation*

		Type of business					Fisher's exact test p-value
		Real Estate	Farming	Manufacturing	Retail Business	Transportation & Logistics	
<b>Age range</b>	21-30	0	0	8	2	2	0.314 Not significant
	31-40	0	0	10	0	1	
	41-50	1	1	3	1	0	
	51-60	0	1	3	0	0	
	61-70	0	1	3	0	0	

Table 5.1 shows how the age range of respondents are associated with the type of business such as Real Estate, Farming, Manufacturing, Retail trade and Transportation and Logistics. The majority (27%) respondents between the age ranges of 31-40 are in the manufacturing industry while none of the respondents between the ages of 21-30, 51-60 and 61-70 was in the Real Estate business. There are no significant differences (*Fisher's exact test p-value = 0.314 > 0.05*) in the type of business across the different age categories. In other words, there was no relationship between the age range and the type of business.

*Table 5.2: Age range and Income net value of your business cross tabulation*

		Income net value of your business				Fisher's exact test p-value
		0 - 1,000,000	1,000,001 - 2,000,000	2,000,001 - 3,000,000	3,000,001 and Above	
<b>Age range</b>	21-30	9	3	0	0	0.022 Significant
	31-40	8	2	0	1	
	41-50	5	0	1	0	
	51-60	1	2	1	0	
	61-70	0	2	1	1	

Table 5.2 shows how the age range of respondents was associated with income net value of the family-owned business. The majority (62%) of the respondents had income in the range 0-100,000 and of these 24% were in the age range of 21-30 and 22% were in the age range 31-40. Only 3% of the respondents in the income age range 31-40 had the highest income net value of 3,000,001 and above. Similarly, only

3% in the income age range 61-70 had the highest income net value of 3,000,001 and above.

According to these results, the study found that there are significant differences (Fisher's exact test p-value = 0.022 where a value less than 0.05 is significant) between age range and income net value of the business. There was a relationship between the age range of the respondents and the income net value of the business. It could be due to the experience that the respondents have concerning their family business or that the older the family business, the more likely that it has a higher income net value.

*Table 5.3: Location and your position in the family business cross tabulation*

		Your position in the family									Fisher's exact test p-value
		First Born	Second Born	Third Born	Fourth Born	Fifth	Sixth Born	Mother	Father	Other e.g. Widower	
your location	Free State	2	0	1	1	1	0	0	0	0	0.461 Not Significant
	Gauteng	5	1	2	1	0	0	1	0	0	
	KwaZulu-Natal	2	1	1	0	0	1	0	0	0	
	Limpopo	1	2	0	1	0	0	0	0	0	
	North West	0	1	0	0	0	0	1	0	0	
	Northern Cape	0	0	0	1	0	1	1	2	0	
	Western Cape	1	2	0	1	0	0	1	0	1	

Table 5.3 shows how the location was associated with the respondent's position in the family. The majority of the respondents in Gauteng are the firstborn while in Free State, there's only one fifth born. The results of Fisher's exact tests show that there are no significant differences (p-value =0.461 > 0.05) in the position in the family business across the different location categories. In other words, there was no relationship between the location and your place in the family business.

**Table 5.4: Location and the highest level of education cross tabulation**

		Highest level of education				Fisher's exact test p-value
		General Degree	Vocational	Matric	Grade 7 or Lower	
<b>your location</b>	Free State	0	1	2	2	0.767 Not Significant
	Gauteng	0	3	4	3	
	KwaZulu-Natal	0	1	4	0	
	Limpopo	1	1	2	0	
	North West	1	0	1	0	
	Northern Cape	1	1	3	0	
	Western Cape	1	2	3	0	

Table 5.4 shows how the location was associated with the highest level of education. Very few respondents (11%) have general degrees, and these are found in provinces such as Limpopo, North West, Northern Cape and Western Cape respectively. Twenty-seven percent (27%) respondents in Free State, Gauteng, Kwazulu-Natal, Limpopo, Northern Cape and Western Cape had a vocational qualification and none in the North West. The largest number of respondents, 51% had a matric qualification. There were no significant differences (Fisher's exact test p-value = 0.767 > 0.05) in the highest qualification obtained across the different location categories. In other words, there was no relationship between the location and the respondent's highest qualification.

**Table 5.5: Location and effect of leadership succession planning on how business was performing**

		Did leadership succession planning affect the way your family business was performing		Fisher's exact test p-value
		Yes	No	
<b>your location</b>	Free State	3	2	0.034 Significant
	Gauteng	3	7	
	KwaZulu-Natal	4	1	
	Limpopo	4	0	
	North West	2	0	
	Northern Cape	4	1	
	Western Cape	6	0	

Table 5.5 shows how the location was associated with how leadership succession planning affected the way the family business was performing. The majority 70% of the respondents across all the locations agreed that leadership succession planning affected the way the company was performing.

The Fisher's exact test was significant ( $p$ -value = 0.034). However, even though the  $p$ -value was significant, the test results did not explicitly make clear the correlation between location and how leadership succession impacted on business performance. Establishing the relationship between locations of the respondents and how leadership succession planning affected the way the business was performing needed a different type of data analysis.

Table 5.6: Size of family and type of business cross tabulation

		Type of business					Fisher's exact test p-value
		Real Estate	Farming	Manufacturing	Retail Business	Transportation & Logistics	
Size of family	2.0	0	0	3	0	2	
	3.0	0	0	4	1	0	
	4.0	0	0	5	0	0	
	5.0	0	0	5	0	0	0.022
	6.0	0	0	2	1	0	Significant
	7.0	0	0	3	0	1	
	8.0	1	1	4	0	0	
	9.0	0	2	0	0	0	
	10.0	0	0	0	1	0	
	15.0	0	0	1	0	0	

Table 5.6 illustrates how the size of the family business was related to the type of family business. Seventy-three percent (73%) of the various family sizes are in the manufacturing business, and about three percent (3%) are in the Real Estate business. The Fisher's exact test was significant ( $p$ -value = 0.022 < 0.05). Still, it only points to the existence of a relationship between the size of the family and type of business and did not on its own provide sufficient explanatory depth.

**Table 5.7:** Size of family and how leadership succession planning affected the way the family business was performing cross tabulation

		Did leadership succession planning affect the way your family business was performing		Fisher's exact test p-value
		Yes	No	
Size of family	2.0	2	3	0.282 Not significant
	3.0	2	3	
	4.0	3	2	
	5.0	5	0	
	6.0	3	0	
	7.0	4	0	
	8.0	4	2	
	9.0	1	1	
	10.0	1	0	
	15.0	1	0	
Total		26	11	

Table 5.7 shows how the size of the family business was associated with how leadership succession planning affected the way the family business was performing. Seventy percent of the respondents agreed that leadership succession planning affected the way their family business was performing.

However, the Fisher's exact test shows that there are no significant differences ( $p\text{-value} = 0.282 > 0.05$ ) on the size of the family on the way leadership succession planning affected the way the family business was performing. In other words, there was no relationship between the size of the family business and how leadership succession planning affects the way the family business was performing.

**Table 5.8:** Your position in the business and income net value of your business cross tabulation

		Income net value of your business				Fisher's exact test p-value
		0 - 1,000,000	1,000,001 - 2,000,000	2,000,001 - 3,000,000	3,000,001 and Above	
Your position in the business	Director	8	7	2	1	0.313 Not significant
	Manager	14	2	1	1	
	Other e.g. Supervisor	1	0	0	0	

Table 5.8 shows how position in the business was associated with the income net value of the company. About 3% of directors and 3% of managers have a net worth of the business in the range of 3,000,000 and above.

The majority, to be specific 62% have an income net value of zero to one million, and 38% of these are managers. The results also show that there are no significant differences (Fisher's exact test  $p\text{-value} = 0.313 > 0.05$ ) between a respondent's position in the business and the income net value of the company.

In other words, there was no relationship between position in the business and the income net value of the business

Table 5.9: Age of business and income net value in rand cross tabulation

		Income net value of your business				Fisher's exact test p-value
		0 - 1 ,000,000	1,000,001 - 2,000,000	2,000,001 - 3,000,000	3,000,001 and Above	
How old is the business	10.0	1	0	0	0	0.206 Not significant
	11.0	1	0	0	0	
	12.0	2	0	0	0	
	13.0	0	0	1	0	
	15.0	6	1	0	0	
	16.0	1	0	0	0	
	18.0	1	0	0	0	
	19.0	1	1	0	0	
	20.0	2	1	0	0	
	21.0	2	0	0	0	
	23.0	2	0	0	0	
	24.0	0	1	0	0	
	25.0	0	0	1	0	
	26.0	1	0	1	0	
	28.0	2	1	0	1	
	30.0	1	2	0	0	
	35.0	0	0	0	1	
40.0	0	1	0	0		
46.0	0	1	0	0		

Table 5.9 shows the income net values across all the age of the businesses. It shows that 62% of the family businesses earn an income between 0-1 000 000. However, results also show that there are no significant differences (Fisher's exact test  $p\text{-value} = 0.206 > 0.05$ ) on the ages of the business across the different income net values of

the businesses. The relationship between age of the company and the income net value of the business was therefore not confirmed nor sufficiently shown by these test results.

*Table 5.10: Training in leadership succession planning and getting support cross tabulation*

		Do you get any help with drafting of leadership succession plan		Fisher's exact test p-value
		Yes	No	
Did you receive any training in leadership succession planning	Yes	6	5	0.004
	No	2	24	Significant

Table 5.10 shows how training in leadership succession planning was associated with getting help with the drafting of a leadership succession plan. Sixteen percent (16%) of the respondents confirmed receiving training in leadership succession planning and also getting help with the drafting of a leadership succession plan. On the other hand, 65% of the respondents did not receive any training in leadership succession planning, nor had they received any help with drafting a leadership succession plan.

The Fisher's exact test was significant ( $p\text{-value} = 0.004 < 0.05$ ). In other words, there was a relationship between training in leadership succession planning and getting follow-up help with the drafting of leadership succession planning. A possible explanation is that after training families are more likely to have gained the agency to pursue additional support for leadership succession planning. It is also more of a function of being aware of the need to get such professional leadership succession training that often emerges from training.

## **5.7 WHAT ARE THE RELATIONSHIPS AMONG THE FACTORS?**

The results show that there are correlations among some factors. For example, relationship between training in leadership succession planning and getting follow-up help with the drafting of leadership succession planning such as training. In others, there was no relationships. For instance, the relationship between age of the company and the income net value of the business was not present. As part of the study limitations, the sample size was not large enough to generate accurate statistical



results. Otherwise, the profiling done during the quantitative exercise gave a good insight in preparing and structuring interview schedule.

## **5.8 SUMMARY**

In Chapter Five, the researcher presented the quantitative data generated from the questionnaires. The data was analysed and presented using graphical methods, specifically figures and tables because of its quantitative nature. The chapter, besides presenting the data relating to each of the questions asked also endeavoured to present and briefly discuss some of the correlations between the different variables that, as discussed in Chapter Two (literature review) influence the way leadership succession was experienced and managed within family-owned businesses. As already mentioned in the introduction to this chapter, qualitative data is going to be presented and discussed in the following chapter.

## **CHAPTER SIX: THE CONCEPTUAL MODEL OF LEADERSHIP SUCCESSION PLANNING**

### **6.1 INTRODUCTION**

Through analysis of interview transcripts, several themes emerged. These themes included understanding leadership succession planning, motivation for undertaking leadership succession planning and factors determining leadership succession planning. All these themes relate to the main research questions that this study sought to answer. In this chapter, the analysed data is presented according to the emerging themes and their interrelations, and this essentially entailed presenting verbatim excerpts of interview transcripts. However, it is important to note that only those excerpts that spoke directly to a particular thematic issue are presented.

Also important is that the researcher went on to analyse the transcribed data, based on literature review and particularly ascribed to concepts and theories of leadership succession planning, as presented in chapter two. Hence in chapter six, the researcher presented the qualitative data and at the same time interpreted the data to make meaning and create knowledge regarding how leadership succession was understood and managed in the context of a family-owned business in South Africa. Chapter six ends by presenting a detailed discussion of the findings of this study, again drawing on both data generated, and knowledge gained from the entire data analysis process as it pertains to the research questions asked in chapter one.

Understanding leadership succession planning was central to the objective of this study, hence the need to investigate how leadership succession planning was understood and experienced within the context of a family-owned business. In this regard, the qualitative analysis of data revealed that leadership succession planning was a culmination of diverse conceptualisations and interactions, dimensions and stages such as: “succession planning”, “business interest”, “indicators for measuring performance”, “business continuity”, “effective leadership”, “skills transfer”, “transition awareness”, formalisation of succession planning” only to name a few.

These dimensions and stages reflect the complex nature of leadership succession, and also what the process involves (Mathews & Blumentritt, 2015). They defined

leadership succession planning as a multi-dimensional and multifaceted process with consequential effects determined by philosophical aspects which include beliefs of the person involved, interrelationships and value system in addition to rational decision-making, economic or business logic. The “process” aspect of leadership succession planning is given prominence in Tagiuri and Davis (1982)’s a three-cycle model which argues that leadership succession planning or transition in family-owned businesses is neither static nor a once-off event.

Furthermore, the dialectical interplay between the different dimensions of the leadership succession planning framework, as illustrated in figure 6.1 below has been observed by scholars such as Sharma *et al.*, (2001) and Steiger *et al.* (2015) as an iterative interplay between these different dimensions when planning for a leadership transition.

Figure 6.1 below illustrates how these different features and conceptualisations of what constitutes leadership succession interact and relate to each other.

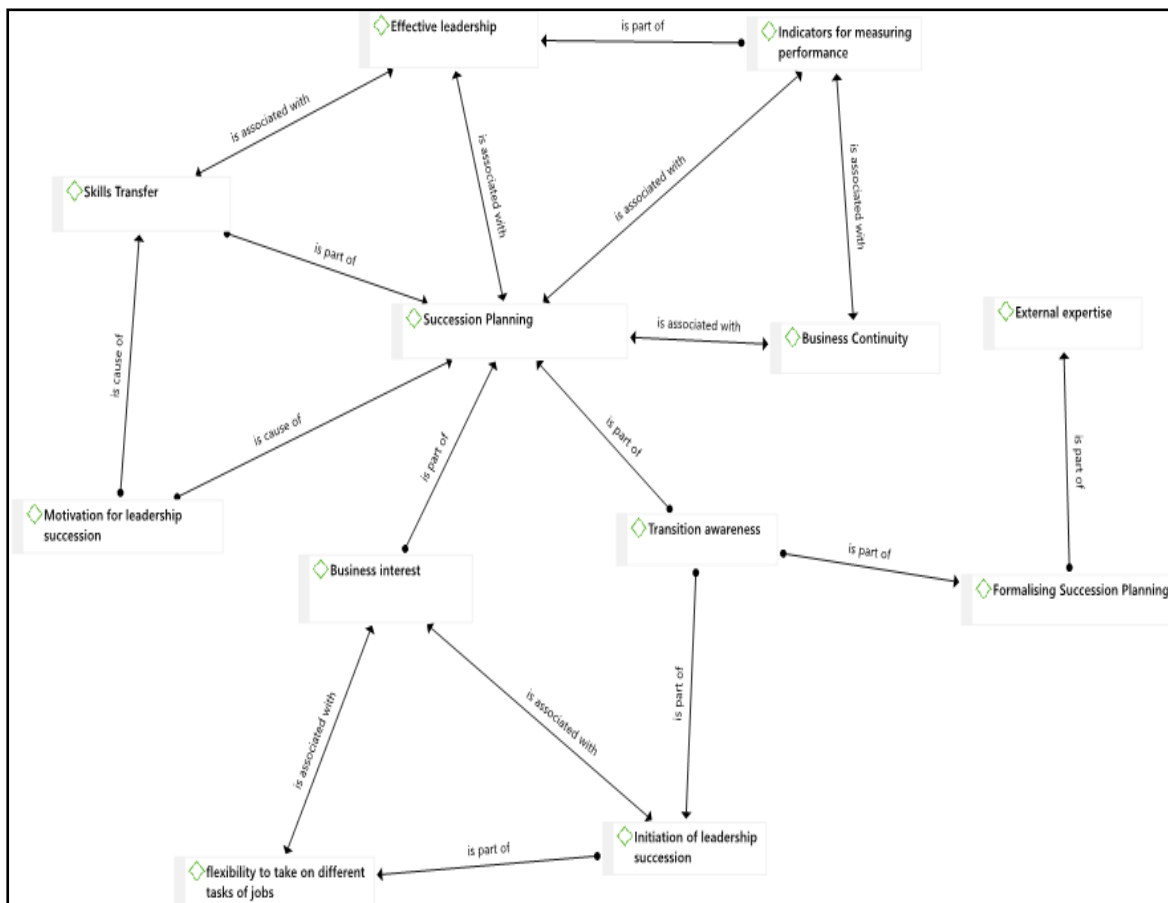


Figure .6.1: Understanding leadership succession planning

This figure is an output from Atlas.ti from study findings.

Based on what is represented in this diagram (Figure 6.1.), the different conceptualisation of leadership succession planning can be realised. In attempting to conceptualise, the researcher was guided by the objectives of the study as discussed in the sections below:

## **6.2 PARTICIPANTS' UNDERSTANDING AND EXPERIENCE OF LEADERSHIP SUCCESSION PLANNING**

Commenting on his experiences of what constitutes leadership succession planning and how this relates to many other aspects of a family business Participant 1 was quoted saying:

*“Making sure the business is sustainable if I step down or retire or die whatever ... as a manager of this business leaves who would I replace him with throughout the organisation ... I have got competent family members involved in the business. But if anything happen to me, the business will still be sustainable. We have appointed my second-born son to take over the business because of his competent skills and the interest he has so far shown in business. Family will be around, but even then we plan to grow the company and still and in order to do that we would have to have competent people to take over positions. We have got a manager (my son) here, who is able and very quickly step up into that position. I will still continue to mentor him on a regular basis. When I took over the company from my late father was that with the experience that I had from working from another company, I had plans already of expanding the business. The business was affected in very a positive way because it has grown compared to where it was when I first took over the leadership. The successor has to maintain the business reputation all the time”(Participant 1).*

This observation is corroborated by how Grove (2017) drawing on Patidar (2016) on the definition of leadership succession planning. According to Grove (2017), leadership succession planning entails a systematically managed effort by an organisation or institution to ensure that opportunities for leadership continuity are put in place well in advance for business sustainability.

The need to ensure business continuity is also alluded to by King, (2005) and Perret (2016). He described leadership succession planning as a process which ensures improved general performance and sustainability of an organisation which is often achieved by putting processes in place to replace critical staff where losses are experienced. Participant 1 talked of why leadership succession planning is essential from the perspective of “if something happens to me” reflecting his experience of leadership succession as something that needs to be considered seriously.

Participant 2 also weighed in alluding to the continuity and sustainability aspects integral to succession planning and also the need for an open mind within the family. The participant said:

*“It means there will be continuity in the business if you have leadership succession planning. Look, you have got to plan otherwise what’s going to happen if you did not plan for your business when the younger generation comes into the business, they wouldn’t know how to run the business. You need to have an open mind and be prepared to listen to the younger people and not have a closed mind to say your way is the only way. This business is in its third generation. It was first started by my grandfather, then it was passed on to my father, and my father passed it on to me, and I am also passing it on to my son. That’s why I believe for the business to be sustainable, you have to groom a possible successor by equipping him with various practical experience”*  
(Participant 2).

Comments made by Participant 2 reinforce what other scholars have also pointed out regarding leadership succession planning. Participant 2 talked about the intergenerational nature of leadership succession planning. In the same sense, Walsh (2011) described leadership succession planning as a procedure that involves the transfer of managerial oversight and ownership of the business from one generation of a member of the family to the next generation of a family member.

Sharma *et al.* (2001) also perceived leadership succession planning as a procedure that involves handing over of leadership responsibilities and executive power from one generation to another within the confines of a family-owned business. Sharma *et al.*, (2001) also agree with Coffman (2014) and further state that leadership succession

planning involves processes, actions and transition events leading to the transfer of executive power from one generation of a member of the family to another generation of a family business member.

In resonance with Participant 2, leadership succession planning is, therefore, as the researcher claimed in Chapter Two, constituted by both practices and process of transfer of managerial power and leadership from one generation to the other. They were commenting on the same issues around how leadership succession planning is experienced and understood several participants also weighed in. Participants 4 and 5 further talked of the passing on of business leadership from one generation to another, but also highlighting the existence of a range of factors and reasons that one needs to consider when thinking of leadership succession planning. Participant 4 said:

*“A family that is running the business finds a way or come up with strategies and plans on how the business could be passed on from one generation to the other. And identifying such factors that can be of importance in having to pass on that business because also when you look into how people can run that particular business in years to come. There are certain things that will have to change in a particular kind of business as well. So it’s all about setting systems that could also allow the next person to run the things properly. The mechanism of changing the tool, the 3kg box as well as the 20kg bag. So that on its own bought the profit margin higher than what it was at the time. The business owners should also be empowered on how to write formal succession planning plans” (Participant 4).*

Another participant (Participant 5) also shared her/his view of succession planning by saying:

*“Leadership succession planning is whereby you appoint somebody to run the business after you leave the business or after you retire or after you are unable to run it. If you have a business succession plan that means you have to plan for tomorrow. That means you have long-term plans for the business. If we have a business succession plan, we can actually have plans to own a business premise and have permanent employees. I think if you have a business succession plan, the profit of the business will improve even the life span of the*

*business will improve because we will be looking for further goals instead of focusing on one goal” (Participant 5).*

As already discussed above, Participants 4 and 5 made references to the linkages between succession planning and business growth and sustainability. Possibilities of buying their business premises and having a long-term view of the family business were mentioned by these participants. These observations, as noted earlier in this chapter, further illustrate that the way leadership succession planning is understood revolves around its significance and assumed function of ensuring continuity and improvement of the family business. Many scholars cited in Chapter Two have also highlighted this observation. For instance, Perret (2016) viewed leadership succession planning as any effort made to ensure that business sustainability and good performance continues across different family generations. Perret (2016) further postulated that this is done by making careful provisions for the strategic replacement of crucial family members over time and providing timeous capacity development within the business ventures.

Also important to point out is that both Participants 4 and 5 reiterated, as studies by Theus (2019) and Adedayo *et al.* (2016) revealed both the complex and intergenerational nature of leadership succession planning. Other participants who provided insightful comments about their experiences and understanding of leadership succession planning included Participants 7, 9, 10, 12, 13, 14 and 15 who interestingly talked of it as passing on leadership from one family member to another.

Participant 7 was quoted arguing that leadership succession planning:

*“... Means thinking about who takes over the business. It's all about choosing a family member who will be capable of managing the day-to-day operations of the business when I retire or die and making sure that the business is generating more income. This can only be achieved if the successors will continue to be hardworking and honesty. If you want your business to exist for generations, come up with a succession plan.” (Participant 7).*

Participant 9 concurred with Participant 7 but also talked about why leadership succession planning is an important thing to do. Participant 9 was quoted saying:

*“Planning who is going to lead the business when one becomes terminally ill retires or even dies. My experience is that it makes the business to continue operating at a profit of course. If it has been operating at a loss I would have closed long time ago, but through hard work, I am managing. If the new leader is accepted by the rest of the family, it all goes well, and the business expands because of the new ideas that the successor comes with. Leadership succession planning if done properly, and you choose a successor who is very creative and innovative, then the business will continue operating well” (Participant 9).*

Very interesting was the mention of the need for the new business leader to be accepted by all family members, which as pointed out by Adedayo *et al.* (2016) is critical. The need to emphasise the importance of ensuring that all the members of the family are pleased with the way the transition of leadership is done from one generation to the next generation is essential (Adedayo *et al.*, 2016).

Effective leadership succession planning is key to enhancing the sustainability and performance of a family-owned business. This point of view is also corroborated by Rothwell (2010) and Perret (2016) who conceptualised leadership succession planning as any effort made to ensure that effective general performance of a business is maintained.

Referring to their history and experiences of leadership succession planning Participant 10 also said:

*“It means that you have to plan who is going to lead the business. Our parents died I mean 13 years ago so we have been running this business for 15 years and it will go on until we hand it over to our children and so forth. A new leader will always come with new ideas that will make the business grow. He/she can try to look for strategies which will work for the business in terms of attracting more customers. Well business performance was not affected because if you look at the income turn over, the company has been performing extremely hence it is still existing. Keeping the business running for decades. Our elder sister dedicates most of her work to me, and I oversee the work of my other two siblings” (Participant 10).*



Emphasis on the positive impact that leadership succession planning can have on a family business is made explicit in what participant 10 stated. The idea of a new leader bringing in new and creative ideas which can be used to expand and improve the performance and sustainability of the family business is also pointed out.

This idea of new leaders coming into the business with new and innovative ideas was also pointed out by Jones *et al* (2017) who perceived leadership succession planning as a strategy for renewal of knowledge and skills needed to grow a business.

Making reference to the need for consensus amongst family members, as a way for effective leadership succession planning, Participant 12 stated that:

*“Taking over business from one family member to another family member which the family agreed upon to take responsibility of the business. The performance of the business was not affected because I did exactly what she told me when guiding me to manage the business. Leadership succession planning is a positive move more, especially if you choose a hardworking person. It is about knowing your family first” (Participant 12).*

As they drew from own family experiences, participant 14 viewed leadership succession planning as involving grooming a prospective family member to take over leadership of the family business. He thought that grooming the prospective family member is important for the business to thrive when the change in leadership ultimately happens.

Participant 14 said:

*“Succession planning to me means grooming your child or any family member with all the business skills so that he will be able to operate the business well when you finally retire from the business or due to any other eventualities that may happen in my life. Handing over the business in this case to my son because I am retiring. So what I want to say is that we must be very careful about the handing over as succession so that the business can grow and continue. I just want him to learn. What is the succession in the business? You want to see results. Because you must remember I don’t want to work anymore. So how is he going to pass that on to his siblings, or if something happens to*

*him and he pass away, is the business going to die? Besides him been a leader, he is going to create another leader. So that he can pass the knowledge on so that this business can carry on forever. So to build up that leadership and to want one to continue in the future, you must make that man and the other family members to want to be leaders and not to force leadership down. When we say leadership and succession of the business it must be that, he must be interested, and the only way he can show me if he is interested, he works” (Participant 14).*

Grooming the potential leader to take over the running of a family business was also highlighted as key by Perret (2016) when he emphasised the need to make careful provisions for strategic replacement of key individuals over time and provision of capacity development for family members earmarked for succession.

Of interest to how succession planning is understood and experienced within a family-owned business, and similar to views of participant 14 is what participant 15 said. Participant 15 not only attempted to distinguish or relate succession planning to inheritance but further pointed out the importance of training future family business leaders on time to take over and help the family business flourish. Participant 15 said:

*“... [succession planning] is like inheritance though it differs in the sense that when you retire or die you leave the business for the children or siblings so that the business continue running and catering for the family needs as years goes by and they should be able to pass it on as well to their children. It requires a successor to work hard in order to make the business successful and sustainable so that even the future generation can also benefit from the same family business. it is more about sensitising us to train our successors with all the leadership skills that will help them to lead the business effectively... it is also about delegating your subordinates to comply to your demands fairly. It’s also good to have a family member as a leader of family business because, we share the same values, and that’s the only way we can preserve our wealth within the family. Provides the continuation of the family business since the successor will always aim at making it more profitable by expanding the company the business becomes more sustainable. choose a successor based on interest, honesty and hard working.” (Participant 15).*

It is for this very same reason of grooming the potential successor that Mathews and Blumentritt (2015) recommend the use of external professional experts to work with the family to arrange for the necessary knowledge and skills transfer that will make leadership succession planning a rewarding experience.

Further, the three-circle model developed by Tagiuri and Davis (1982) agreed that the extent to which leadership succession translate into improved business sustainability and performance is determined by how the members of the family support one another especially before and during the period of leadership succession itself.

In a similar sense, Dohrn *et al.* (2015) claimed that a knowledgeable person with relevant experience should be selected to replace the outgoing leader to boost the performance of the organisation.

A leader who has been given adequate family support and training is more likely to do better when he or she takes over the running of the family business. This view is supported by scholars such as Carr and Sequeira (2007) and Lansberg and Astrachan (1994). They, within their theory of planned behaviour, also acknowledged that prior exposure to family-owned business is an important determinant of how leadership succession happens within a family firm. The two elaborated by saying that disclosure of a prospective successor to the family business shapes the entrepreneurial intent of that particular member, thus positioning him or her better to take over the management of the family business.

Working with leadership succession theory and drawing on Pauline's model of leadership mentoring, Zellweger (2017) also found out that grooming plays a vital role in determining the chances of success of the incoming business leaders to improve the performance and sustainability of the family business.

### **6.3 MOTIVATION FOR LEADERSHIP SUCCESSION**

Another thematic observation that came out strongly is that around what motivates family members to undertake leadership succession and how this is directly related to business continuity or sustainability. Similarly, the reasons have also been discussed by many scholars whom the researcher draws upon during the analysis of generated data as below:

Responses from interviewed participants varied. Below are those responses that directly relate to factors motivating leadership succession. When asked to share their viewpoint, Participants 1, 2, 3, 8, 10 and 14 provided beneficial insights into what they consider as the key motivating reasons for families to undertake leadership succession planning. Participant 1 said:

*“I want to retire next year. I had seen [a] situation at Stellenbosch where a lady who owned a large nursery in the Western Cape, her husband was murdered, and the business fell apart. That was maybe on the back of my mind. Sooner or later I am going to be completely retired” (Participant 1).*

Similar to participant 1, participant 2 also reflected on what motivates his family to take leadership succession planning seriously.

Accordingly, Participant 2 was quoted as saying:

*“It means there will be continuity in the business if you have leadership succession planning. Look, you have got to plan otherwise what’s going to happen if you did not plan for your business when the younger generation comes into the business, they wouldn’t know how to run the business, That’s why I believe for the business to be sustainable, you have to groom a possible successor by equipping him with various practical experience.” (Participant 2).*

While Participant 3 also concurred on the issues of ageing and retirement by saying:

*“Since then I have been running the business, and now I am also handing it over slowly to my firstborn son because I am about to retire” (Participant 3).*

Still alluding to the realities around ageing and death and also the quest to ensure business continuity Participant 8 said:

*“The business must keep operating even if I die or retire so that the family can keep depending on it” (Participant 8).*

Participant 10 further talked of the same need for business continuity as one of the reasons for having an effective leadership succession plan in place. Participant 10 was quoted saying:

*“This business has to continue, and it has to continue feeding, and educating the family, as well as our employees who equally depend on it as their source of income. We have to work hard and pass it on to our children when we retire or when something happens to us” (Participant 10).*

And lastly, Participant 14 referred to how he had started a family business management of which he now wants to hand over to his son and does not want the business to close in case something happens to him. This again relates to fears around ageing and death, both of which are realities that family-owned businesses have to plan for. The participant said:

*“It was my life ambition to work for myself. The determination was there to better my life with very poor parents. The greatest honour I had was to prove a point to my parents, and it was a success story that I could be somebody they could be proud off because they never had the opportunity, and what I am saying is that he just didn’t have a drive to be able to do things on his own. Because you must remember I don’t want to work anymore. So how is he going to pass that on to his siblings, or if something happens to him and he pass away, is the business going to die? ” (Participant 14).*

The fear of what would happen to a family business when current leader retires or become incapacitated, and the need to safeguard business continuity, or its sustainability emerged as one of the reasons why family-owned business perceives leadership succession planning as very important. This motivation can also be understood, as reflected in the comments made by participants, by the realities such as ageing, death and the fact that most families are to a great extent reliant on their businesses for survival. The need to ensure the continuity of family business is further highlighted in the responses made by participants as presented below.

Referring to the importance of business continuity and leadership succession planning, Participant 1 further elaborated saying that:

*“Making sure the business is sustainable if I step down or retire or die whatever. It ensures sustainability of the business. I have got competent family members involved in the business. But if anything happen to me, the business will still be sustainable. Family will be around, but even then we plan to grow the company,*

*and in order to do that, we would have to have competent people to take over positions. The business was affected in very a positive way because it has grown compared to where it was when I first took over the leadership” (Participant 1).*

Participant 3 was quoted saying:

*“It ensures the longevity of the business and tradition which translates to secure employment for the employees both family members and non-family members. A new successor will bring in new ideas to the business and make it become more profitable because he or she does not want to see the business fail. In my case, I think I have worked hard, that’s why it’s in existence today. My aim was to work hard and to expand the business. Fortunately, I managed to achieve that, and our profit margin was high. We would like to keep the business going, and keep the family going and also continue playing a role in employment and entrepreneurship” (Participant 3).*

While Participant 9 also concurred by saying:

*“It is important because it ensures the continuity of the business when the owner retires or dies, and it also continues to feeds the remaining family. It is based on performance, what the successor will be able to bring to the business that will make it sustainable. If it has been operating at a loss, I would have closed long time ago, but through hard work, I am managing. If the new leader is accepted by the rest of the family, it all goes well, and the business expands because of the new ideas that the successor comes with”. (Participant 9)*

Observation made in this study as represented by the views and experiences of the participants interviewed confirmed what previous studies also found out. Studies conducted by Rothwell (2010) and Perret (2016) revealed that one of the reasons for families to undertake leadership succession planning is mainly the desire for continuity and sustainability of the family business across different generations.

Perret (2016) did also refer to leadership succession planning as a process which ensures improved general performance and continuity of an organisation, and this view is in resonance with what has emerged in this study. The issue of planning for a

replacement when losses such as death or retirement of a current family business leader happens had also been acknowledged by scholars such as King (2005).

According to the leadership succession theory, as propounded by Ibrahim *et al* (2001), leadership succession planning in practice entails identifying and deploying a successful successor before the contemporary leader leaves the business organisation or his/her office. It is done due to “what happens” if the current leader dies or abruptly becomes incapable of continuing to run the family business. Grove’s (2017) conception of succession leadership planning also confirmed the inherent concern and significance of ensuring continuity that is integral to the way leadership succession planning is viewed and managed.

Coinciding with views of the participants as presented and discussed above, Perret (2016) further confirmed the important interplay between succession leadership and business sustainability. Swider and Ning Li (2013) alluded to this observation when they argued that business organisations put in place leadership succession plans to achieve improved profitability and sustainability.

Peter Drucker (1967)’s common-sense theory also confirmed the direct and optimistic association that exists between a business current succession leadership planning and its overall performance and sustainability. Embedded in the common-sense theory is the claim that leadership succession planning is, as illustrated by data generated in his study, valued for its role in ensuring sustainability and improvement of the general performance of a family business venture.

Continuity or sustainability and the quest to take the family business to another level of performance is, therefore, as emerging in this study, key reasons for leadership succession planning. This observation can be understood from both the theoretical propositions discussed in chapter two, coupled with what has already been pointed out the fear of what happens if the current business leader dies.

#### **6.4 FACTORS INFLUENCING LEADERSHIP SUCCESSION PLANNING**

Of importance to the focus of this study was also the need to provide answers relating to the factors that shape and influence the way leadership succession is both

understood and experienced within family-owned businesses. It is another theme that emerged from the analysis of data generated.

Exploring these factors was critical for being able to generate knowledge that is needed to develop recommendations and models for improving leadership succession planning, as was the ultimate purpose of this study. In this section, several factors and relational interactions are presented and briefly explained.

Reference is also made to literature and theories on leadership succession planning. Insights generated from this analysis and discussion will be referred to, later when the researcher discuss answers to the questions underpinning the study.

#### **6.4.1 Interest in and for the family business**

The prospective successor prevailing interest in the family business came out as one of the key factors determining how leadership succession is understood and experienced across the different family businesses participating in this study. Comments made by Participants 3, 5, 7, 10, 14 and 15 as presented below are indicative why having an interest in the family business is a critical factor to consider when undertaking leadership succession planning.

As confirmed by several theories of leadership succession planning, this aspect of interest is, at times used synonymously with the idea of having a positive attitude towards the family business or being emotionally attached to it. When commenting on interest in business as part of the entire leadership succession planning Participant 3 was quoted saying that for one to be appointed a new leader to the business:

*“He has to show a lot of interest” (Participant 3).*

Weighing in similarly, Participant 5 said:

*“I will choose based on the interest. this one is getting interest in the business, this one is losing interest, this one is having plans to improve the business” (Participant 5).*

Alluding to the same issues of interest in business, Participant 7 also said:



*“My interest and passion for managing the business at the higher level was what made them to choose me as their successor. I will also choose my successor based on his or capabilities and interest towards moving this family business forward. Based on his or her talent and interest towards the business. I would say working very hard and having an interest in this business has really made it to where it is today” (Participant 7).*

Participant 10 said:

*“The choice of successor should be based on how hardworking and enthusiastic that person is towards running the business. But she must show interest in running the business” (Participant 10).*

In concurrence with other participants as noted above, Participant 14 also said that,

*“... when we say leadership and succession of the business it must be that, he must be interested, and the only way he can show me if he is interested, he works” (Participant 14).*

In a similar comment Participant 15 stated that:

*“I will consider the family member who is honest, hardworking and more interested in growing the business. I have a passion for this business because we come very far, 50 years of existence entails hard work. Choose the successor based on interest” (Participant 15).*

The dimensions of interest in the family business and or interest in being involved in the management of the same business came out as an important factor shaping the way leadership succession is understood and managed across different family businesses participating in this study. This observation is in sync with the claim made by Fishbein and Ajzen (1975). The two seminal scholars argued that where there is a positive attitude towards the planned leadership change, and or strong interest in the successor, the leadership succession tend to be easier and its implications for the performance and sustainability of the family business is always positive. Boyd *et al.*, (2014) also pointed out that the stronger the interest of potential successor, the more likely the leadership succession is supported by other family members.

In his seven-point framework, Rothwell (2010) argued that to achieve systematic succession planning within business organisations; there is a need for strong commitment, positive attitude and interest in the business in question. In a similar argument, Netsianda, (2008) claimed that intricate emotive in successor incumbent and the absence of interest in the family business are often pointed out as some of the obstacles to succession planning.

Cho *et al.* (2017) observed that low levels of sustainability or the failure of many family businesses are also linked to challenges around not having family members with genuine interest to take over leadership. It further reinforces the importance of interest as a factor for effective leadership succession planning. There could be some reasons for this observed low interest, but this has not been followed up in this study.

It is as pointed out by participants in this study critical to consider interest in the family business as a factor that significantly influences succession planning. As participant 15 often said, these factors need to be considered in combination; hence interest alone may not be the only factor determining who the next leader of the family business will be.

#### **6.4.2 Skills transfer and/or in leadership succession planning**

Determining how leadership succession planning is understood and managed includes the aspect of skills transfer. It came out in different ways and nearly related to the inherent process of grooming the incumbent successor to take over. The same element also encompasses issues of capacity or incumbent successor's level of education and knowledge in business management. As presented below, participants interviewed had different views to share.

Commenting about how vital the factor of skills transfer is to effective leadership succession planning, Participant 1, referring to his own experience, said:

*"I also groomed and mentored him with necessarily managerial skills"*  
(Participant 1).

Similarly, Participant 2 talked about how he has integrated the notion of skills transfer to his son to make sure that he will be able to run the family business successfully once he takes over. Participant 2 was quoted saying that:

*“... you have to groom them as early as possible so that they know how the business is being run. When you come in the business, you will be around them all the time. How do they speak to the customers, how do they interact with staff, how do they interact with the urgencies in factory...I learnt a lot from my parents when I came in, and there is no better way of learning besides the practical way. I have coached him, and I am happy to say that if I were to die today, my son will be capable to run the business because he has been thoroughly groomed. That’s why I believe for the business to be sustainable, you have to groom a possible successor by equipping him with various practical experience.” (Participant 2).*

Still referring to skills transfer as integral to leadership succession, Participant 3 said:

*“Before he passed away, he trained my husband with all the business skills required to run this business. When my late husband took over the family business, he groomed me in managing the business as well. Since then, I have been running the business, and now I am also handing it over slowly to my firstborn son because I am about to retire. I am grooming him. I delegate most of the work to him, and he implements the work effectively without any problems. Ours is not a black and white strategy but mainly learning from experience and delegating more and more responsibilities gradually” (Participant 3).*

Participant 6 also said:

*“I have to train the last one so that when I step down or when something happens to me, he can continue running the business. To connect me with her employees so that I can also learn from them and gain experience on how the day-to-day operations in the business are done. Even in my case, my mother made sure that I attend a lot of business workshop while she was grooming me into the business and through that, I developed the passion and confidence on how to run this business” (Participant 6).*

Confirming the importance of skills transfer when planning leadership succession in a family business Participant 8 said:

*“My father used to take us to his business, and he could give us some different task to perform (I mean our firstborn brother and myself). I have even started grooming one of my family members who has shown interest in the business and has fresh ideas to move the business forward. You just continue grooming the person till the time you exit the business” (Participant 8).*

And Participant 14 was again quoted saying:

*“Succession planning to me means grooming your child or any family member with all the business skills so that he will be able to operate the business well when you finally retire from the business or due to any other eventualities that may happen in my life. I just want him to learn. Building on the family business, I do send him on different courses. The first course I had to send him was a management course because he was directly out of school, he only finished metric, and he had no knowledge of even been a leadership because he was not educated in that. I can prepare him to be a leader, but he has to get advice from another perspective so that he can see, maybe I am just misleading him as a father, but we need somebody else to talk to him so that he can make a sound judgement. He has been in this company for the past eight years, so he has gained from the work point of view”. (Participant 14)*

While, on the other hand, Participant 15 stated:

*“It is more about sensitising us to train our successors with all the leadership skills that will help them to lead the business effectively. It is also about delegating your subordinates to comply to your demands fairly. My parents used to give as different task to do within the company, for example, they would say this Saturday they will be taking stock taking, we will be there with them counting the stocks with the other employees and it used to be funny” (Participant 15)*

A closer analysis of data confirms the importance of putting in mechanism for skills transfer as part of leadership succession planning. Other scholars have already

acknowledged the rationale for ensuring that potential successors have gained the business acumen skills needed to run the family enterprise well.

Drawing on the theory of planned behaviour, Carr and Sequeira (2007), suggested that prior exposure to family-owned business is an essential determinant of how leadership succession happens within the family firm. The idea here is that, as participant 8 stated, exposure to family business provides opportunities for the incumbent successor to learn how the business is run. It is, therefore, a strategy for achieving skills transfer.

Also linked to the notion of skills transfer Scotland (2010) talked of the notion of “plural leaders” where more than one family member is part of the leadership and management of the family business. In her study, Scotland (2010) concluded that this plural leadership approach has proven to be very effective in terms of grooming new leaders to the family business. The approach allows for incumbent successor to learn on the job. This observation that concurs with Gersick *et al.* (1997)’s argument that the leadership style employed by the current leaders of the family business determines how leadership succession is done.

Haag (2012), further pointed out that the current leaders develop a vision of a future governance structure that is more inclusive than autocratic skills transfer and the ultimate leadership succession becomes much easier. As also reflected in viewpoints shared by participant 14, education is an important characteristic of skills transfer. Scotland (2010) and Haag (2012) both concurred that there is a relationship between levels of education and chances of attaining an effective succession plan. Both went on to conclude that the more educated the family, the higher the chances of having an effective succession plan for their business. Similarly, scholars such as Tweeten (1984) and Goddard *et al.* (1993) further claimed that the educational level both for both the proprietor and family members is one of the factors that influence the intergenerational changes that take place within a family-owned business. Education level is in here conceived and entailing skills transfer and grooming the potential leader to take over and run the family business.

### 6.4.3 Transition awareness and formalising leadership succession

How a family ensures that pending or planned for leadership succession is made known and formalised within their family structures made an interesting analysis in this study. Diverse views and comments were made by the respondents participating in the interviews.

When commenting on the tenet of transition awareness as part of leadership succession planning, Participant 1 said:

*“His taking over the business have already been communicated to with the family members, and they all agreed” (Participant 1).*

Participant 2 talked of:

*“Reasons to choose the possible family member to succeed the business should be articulated clearly to the members of the family involved in the business. Leadership succession planning should be discussed with all stakeholders all the time. Have a dialogue and agree with all the family how succession will be done. discussions about a possible successor should be communicated to all the family members”( Participant 2)*

Participant 3 was quoted saying:

*“I have also spoken about his taking over casually to the family members, and they are all fine with it. We sit down, and I always emphasise the reason why I have chosen the elder brother to take over the business, and they have agreed. The family members should know who the successor will be, and the reason why he or she was chosen should be clearly stated. Communicate the possible successor to the family” (Participant 3)*

Participant 7 talked of:

*I will sit down with the family members and tell them that I have decided to choose someone to succeed me. Families should be free to discuss about who their next successor will be and try by all means to let them understand why you have chosen that person. make sure that unit prevails amongst all family*

*members, and this can only be achieved through communication” (Participant 7)*

Participant 8 said:

*“I was groomed to take over, and all the members of the family were comfortable with that. The challenges come in when you have not communicated your successor to the family members. It can only be good when the family members participate in identifying the leader, and then we all agree on who takes over the business. When I took over the business, everyone in the family knew; hence it was not a problem. This was done casually to my siblings and other family members. Once a suitable family member is identified then you inform the rest of the family members about it informally” (Participant 8)*

Participant 9 said:

*“We had several family dialogues where my late parents brought the issue of the successor. All the requirements for the possible successor should be spelt out so that that he/she can be evaluated by the other family members based on that. They explained thoroughly why they wanted me to take over the business to all my siblings and family members. The leader should always communicate his intentions of choosing the successor to the entire family” (Participant 9).*

Participant 10 said:

*“She has already told my other siblings that I will be the next successor. this should be done in consultation with all your siblings” (Participant 10).*

It also emerged as confirmed by the responses presented above that one of the things families consider in managing leadership succession successfully is the importance of transparency, entailing that the process is made known to all members of the family and consensus is reached (Swider and Ning Li, (2013). According to Jaskiewicz *et al.* (2016) not making family members aware of the planned for leadership succession planning results in displeasure and elicit emotions of distrust both of which are detrimental for family unity as observed by participant 2.

Walsh (2011) also talked of the need to share information about succession as a way of managing family expectations and inherent contradictions. Essentially this means making sure that family members understand the criteria. This was presented by participant 2 and 9 hinted, used to select the successor. The notion of transition awareness and formalising leadership change is thus closely linked to other factors such as transparency and effective leadership. For instance, transparency was argued to be critical in sustaining family cohesion which is often very vulnerable due to issues of leadership succession.

As already pointed out and corroborated by literature making leadership succession plans known and understood by family members helps to build trust and support that the successor will badly need to improve the performance and sustainability of the family venture. Accordingly, Adedayo *et al.* (2016) pointed out that care and effort should be put in to make sure that all the members of the family are pleased with the way leadership succession is handled from one generation to the other. Failure to do that will result in a high risk of business sustainability itself.

Also emphasising the need for transparency and consensus Mathews and Blumentritt (2015) argued that understanding the tension that may emerge between potential successors and being able to arbitrate and account for related situations is key for successful leadership succession planning. The two scholars proposed that family undertaking leadership succession planning need to invest more in communication and awareness of the pending leadership change to ensure cohesion and peace among members of the family.

#### **6.4.4 Effective leadership and performance of a business**

Effective leadership and performance of the family business was also raised as one of the factors determining how leadership succession planning is handled within family-owned businesses. In Figure 6.2, derived from the study using Atlas.ti analyses shows the relationship between these two factors. The assumption being that effective leadership determines how a particular company performs and also the way family members understand and manage leadership succession (Gesick *et al.*, 1997), As observed during the study, effective leadership was presented as the type of



leadership, which is inherent in the family business, and that it has influence on how leadership transition is undertaken.

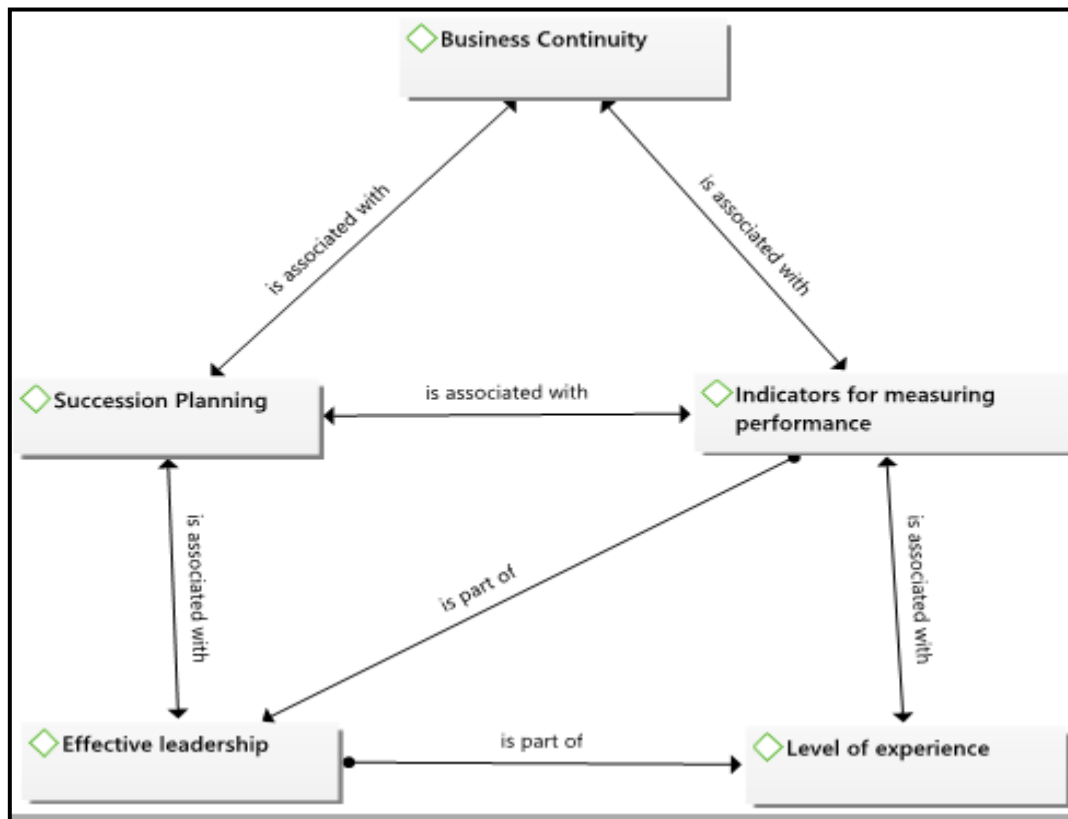


Figure 6.2: The relationship between characteristics shaping leadership succession planning

Commenting on effective leadership (herein also interpreted as leadership competence) and performance of business affects leadership succession planning, Participant 1 stated:

*“I have got competent family members involved in the business. But if anything happen to me, the business will still be sustainable. The business was affected in very a positive way because it has grown compared to where it was when I first took over the leadership. To be competent all the time” (Participant 1).*

Further commenting on the aspects of leadership competence and how this related to their experiences of leadership succession, Participant 3 also stated that:

*“A new successor will bring in new ideas to the business and make it become more profitable because he or she does not want to see the business fail. In my*

*case, I think I have worked hard, that's why it's in existence today. My aim was to work hard and to expand the business. Fortunately, I managed to achieve that, and our profit margin was high. It has given me the opportunity to explore other business avenues, and through this, my sales revenues has improved, and I am able to realise reasonable profit. If one choses a suitable successor, definitely that successor will come with new ideas that will boost the profit of your company” (Participant 3).*

Another participant 6 also made a connection between the performance of a business and the kind of leadership capacity in a family. The participant (Participant 6) said:

*“The business will improve its performance because there is positive energy” (Participant 6).*

Similar to Participant 6, Participant 9 further stated that:

*“It is based on performance, what the successor will be able to bring to the business that will make it sustainable. My experience is that it makes the business to continue operating at a profit of course. I will say it was affected in a very positive way because I managed to boost the sales turn over and generated high profit than my predecessor the very same year I took over” (Participant 9).*

Participant 13 said:

*“Ever since they took over from my late grandfather and they have really done well because they have expanded it and we have more clients. It actually gotten a lot better, we have grown a lot in the last five years that I have been part of them, but It is maybe because I came with a few new ideas and because we are a family and a very close family we trust each other and we trust each other's judgement. I feel like I made a huge impact being part of it but mainly because of the fact that I am so like invested in it because it directly affects me the way the business is run, like how much money we make affects me” (Participant 13).*

About the link between how good the current leadership of a business is and how this influences the succession planning: Participant 14 said:

*“So it’s all about setting systems that could also allow the next person to run the things properly. It was a different mechanism that she implemented, which eliminated a lot of red tapes as well that was what made the success” (Participant 14).*

In sync with comments made by participants above, Gersick *et al.*, (1997) confirmed that another common factor affecting succession planning in a family business is the leadership style employed by the current owners. The scholar elaborated the same claim by stating that where there are futurist and effective leadership succession planning is often viewed positively and necessary. Haag (2012) concurred by arguing that the complexity of succession planning can be reduced if the current owners develop a vision of a future governance structure that is more inclusive than autocratic.

Looked at from a different epistemological angle, this may also mean that knowing that family members possess excellent leadership competencies is an indicative of them improving the performance of the family as alluded to participants 3, 6, and 13. This is a key determinant of how leadership succession planning is managed within family-owned enterprises. Dohrn *et al.* (2015) contended that a knowledgeable person with relevant experience, herein equated to sufficient leadership capacity, should be selected to replace the outgoing leader in order to improve the performance of the family business. The same observation is corroborated by Peter Drucker (1967)’s common-sense theory which postulated that the motive to change leadership is more about improving the performance of an organisation, hence the need to pick the successor with desired business leadership competences. The relationship between effective leadership and business performance though not statistically quantified in this study does exist.

#### **6.4.5 Hard work and leadership succession planning**

The character of hard work also came out very frequent during the interviews, and several participants shared their views of how hard work is a determinant of the way leadership succession is experienced and managed within their family-owned businesses. Important to note is that even though participants talked of hard work,

conceptually this is closely related to competence and or effective leadership, both of which are already discussed in this chapter.

Confirming how hard work influenced leadership succession Participant 3 said;

*“In my case, I think I have worked hard that’s why it’s in existence today. my aim was to work hard and to expand the business. Fortunately I managed to achieve that, and our profit margin was high”(Participant 3).*

Participant 7 also weighed in, referring to how important hard work is for selecting the next leader for the family business. Participant 7 argued that:

*“A family member to be chosen as a successor, the characteristics of being a hard worker and honesty must reflect in that person” (Participant 7).*

Participant 12 also shared her own life story of how she was picked as the successor leader of their family business. She reported that;

*“She knew that I am a hardworking person, and she knew that I was going to be able to take care of her two young kids. She also knew that I was going to improve the business from where she left it. Leadership succession planning is a positive move more, especially if you choose a hardworking person” (Participant 12).*

In agreement with the two comments above Participant 15 also argued that:

*“It requires a successor to work hard in order to make the business successful and sustainable so that even the future generation can also benefit from the same family business. It is more about sensitizing us to train our successors with all the leadership skills that will help them to lead the business effectively. They must also participate in making decision concerning the business. It is also about delegating your subordinates to comply to your demands fairly. Treat everyone fairly, and your reward will be successful. I will consider the family member who is honest, hardworking and more interested in growing the business. Things keep on changing; therefore, a new leader will always aim to keep abreast with the things that are trending” (Participant 15).*

It became clear that the characteristics of how hard working a particular family member determine the likelihood of that member being chosen to take over leadership of the family business. In chapter five, this observation was also pointed out in the form of the correlation between levels of education and the likelihood of leadership succession. Hard work, over and above other personal traits such as honesty, commitment, ethical and trustworthy, is, therefore, a critical deciding factor in the matrix of leadership succession in family-owned businesses.

The definition of succession planning given by Sharma *et al.* (2001) postulated that hard work is indeed one of the multiple dimensions of leadership succession planning. Sharma *et al.*, (2001) further argued that succession planning is often done to improve the performance and sustainability of the family business, and in this regard selecting a successor who is hard working becomes almost the natural and preferred thing to do. Closely related, Barney (1991) further pointed out that leadership succession tends to occur readily and even much more smoothly where the prospective successors have huge capacity and knowledge to take the business forward. According to Barney (1991), in resource-based view theory, the net human potential inherent in a family is vital for determining how leadership succession planning is done. Embedded in the human potential is the aspect of having hardworking family members who, as said by interviewed participants, are able to push the family business to the next level of growth once they take over.

Necessary for this study and as already pointed out, is how hard work was constructed as also entailing, ability to lead effectively and so does one's level of capacity and or knowledge to perform well in running the family business. The aspects of bringing in new ideas and creative business strategies and being kind and honest can all be accommodated within this aspect of hardworking, or what kind of leader work the best to improve performance and sustainability of a family-owned business.

#### **6.4.6 Family values and leadership succession planning**

Also coming out as one of the factors affecting how leadership succession planning is experienced and managed in a family business are the family values. The three values that emerged as most important are commitment (dedication), honesty and trust. Conceptually these values are intertwined and overlap. For example, honesty leads to

trust and does entail an element of commitment to the family business. As presented below the interviewed participants provided very insightful feedback relating to these three values and how they determine leadership succession planning.

Referring to the value of dedication, Participant 2 argued:

*“The most challenge we face when coming up with a succession planning is first looking for a competent and dedicated family members. Not having a common consensus is what causes problems” (Participant 2).*

Indirectly commenting about why trust is needed amongst the family members when planning for leadership succession, Participant 5 said:

*“People are scared that if they choose a successor once they are still arrive they may have problems like power struggles. In our African tradition, most people are afraid to point that this person will take over, people might start fighting about why you chose that successor instead of me. Instead of uniting the family, it actually makes people start fighting about the businesses. We always think whoever is put in charge of the business is the one that owns the business than the other ones” (Participant 5).*

Participant 6 further comment on the need for trust, and he was quoted saying that:

*“A lot of understanding, communication and trust issues. Trust is the most important thing, and it’s lacking in most family businesses. Employees that do not want to accept me as the one taking over the business. They even refuse to take instructions from me because they feel that I am not one of the top management” (Participant 6).*

Like Participant 6, Participant 9 trying to emphasise the issue of trust also pointed out that:

*“... choosing a leader with necessary skills can be a challenge. The other problem is that a successor like in our family was just appointed by word of mouth so that can bring problems in future because there will be no evidence. lack of trust within the family can affect leadership succession in a negative way” (Participant 9).*

Asked to comment about the aspects of family values in managing leadership succession planning Participant 7 responded by saying:

*“There are family members who are irresponsible and committed in this family as well, so I have to be very careful and choose a responsible successor...I had also one family member who tends to be very unreasonable. If he wants money, sometimes he would use words such as after all this business was for my father’s, I also have shares in it” (Participant 7).*

Participant 8 stated:

*“Other challenges include choosing an irresponsible leader. Someone who like clubbing, those are problems. Also, when the family is not united and are not honesty with each other. The informal way of choosing a leader can be problematic as well. When fights starts and issues of jealous” (Participant 8).*

Talking about honesty and unity as important for successful leadership succession planning, Participant 10 commented by saying:

*“There can be challenges if the leader was not legally documented. The issue of honesty can also be another factor that can affect the family business. Lack of unity can arise within the family members.” (Participant 10).*

Inferring from the data presented above, it is clear that trust is an important family value determining how leadership succession planning is undertaken. According to Daspit *et al.* (2016), the existence of trustworthy relationships is one of the advantages of a family-owned business. It is because Daspit *et al.* (2016) further argued that trust allows the inheritor to attain necessary skills and become more knowledgeable about managing and controlling the day-to-day operations of the family business. Without trust across the family members, current family leaders may find it, as participant 5 said, hard to appoint successors while they are still in charge.

Studies done by Carrigan and Buckley (2008) revealed that it becomes so difficult to discuss leadership succession with family members when trust and interest are lacking within those particular families. The aspect of trust is also alluded to by Fishbein and Ajzen (1975) when they argued that where there is a positive attitude towards the

planned leadership change or a strong belief in the successor, the leadership succession tend to be easier and its implications for the performance and sustainability of the family business is always positive.

Trust thus helps to mediate fears and tensions that often characterise leadership succession planning, as Walsh (2011) also revealed. Additionally, Mishra and El-Osta (2007) also claimed that leadership succession planning could be achieved more easily where family values such as loyalty and trust are strong. The comparative advantage of businesses owned and managed by families is demonstrated through the caring nature and the extent of loyalty or unit (Deephouse & Jaskiewicz, 2013). As a result of this, a sense of collective action and commitment towards the business sustainability often help families to manage leadership succession. Deephouse and Jaskiewicz (2013) further pointed out that loyalty and unity, as characteristics of a family-owned business is advantageous for achieving smooth leadership succession. Deephouse and Jaskiewicz, 2013, further pointed out that loyalty and unity, as characteristics of a family-owned business is advantageous for achieving smooth leadership succession.

It is also important to note that balancing between family values and commercial goals is often a challenge for leadership succession planning within family-owned businesses. Walsh (2011) further noted failure to address the personality differences, which are in their own a manifestation of values, can constrain the growth of the family-owned business as well as destroying the harmony.

## **6.5 DISCUSSIONS OF THE MAIN RESEARCH FINDINGS**

Section 6.2 of Chapter six presents a compressed discussion of the study's main research findings. In this section, the researcher draws on both literature and data generated to answer the main research question and sub-research questions regarding how leadership succession planning is understood and managed in a family-owned business and as well as how it affects the performance and sustainability of a family-owned business.

Therefore, the basis of knowledge claims made in the study include evidence generated from the questionnaires and semi-structured interviews as well as the insight that emerged from a review of relevant literature on leadership succession



planning. The claims made or answers to the main research questions presented here constitute the knowledge contribution made by this study to the field of business leadership and management. Based on the knowledge claims, several recommendations or guidelines are developed. These recommendations can be, as was anticipated in the motivation of the study, used to guide future leadership succession planning processes within the contexts of a family-owned business in South Africa.

## **6.6 What is leadership succession planning and how business owners in South Africa understand it?**

The study revealed that leadership succession planning is often understood as a process rather than an event. In addition, it also emerged that leadership succession planning is a multi-dimensional and complicated process that is not easy to manage. Most of the interviewed respondents (Participants 2, 4, 7, 8, 10, 14) talked of how important it is to manage leadership succession carefully to avoid some of the difficulties. For instance, causing anxiety in families and leading to a breakdown of family trust and cohesion. The view of leadership succession planning as entailing an intergenerational change of leadership was also observed. This is was also alluded to by scholars such as King (2005), Grove (2017) and Patidar (2016).

Walsh (2011) also described leadership succession planning in the same way as the study described as a procedure that involves the transfer of managerial oversight and ownership of the business from one generation of a member of the family to the next generation.

These study findings resonate with many other study findings on leadership succession planning. Studies conducted by King, (2005) and Perret (2016) also concluded that succession planning is best described as a process which ensures improved general performance and sustainability of an organisation. Sharma *et al.* (2001) also concluded leadership succession planning as a procedure that involves handing over of leadership responsibilities and executive power from one family member to another. The definition of succession planning given by Sharma *et al.* (2001) entails that effective leadership succession planning is indeed one with multiple dimensions and not a once-off and linear event as it can be expected.

Previous studies also observed the notion of leadership succession planning as a process. Studies conducted by King (2005) and Perret (2016) also concluded that succession planning is best described as a process rather than a once-off event. Sharma *et al.* (2001) also argued that leadership succession planning is indeed one with multiple dimensions and not a once-off and linear event. The three-cycle model propounded by Tagiuri and Davis (1982) also viewed leadership succession in family-owned business as neither static one nor a once-off event.

In addition, the complexity of leadership succession planning, as experienced by respondents (Participants 3, 8, 9 and 13) in this study, can also be understood by what scholars like Dyer (2006); and Coffman (2014) revealed when they concluded that ensuring effective succession leadership planning is always problematic and one that requires careful attention. Commenting on the complexities around leadership succession planning Adedayo *et al.* (2016) pointed out that care and attention should be accorded as a way of making sure that all the members of the family are pleased with the way transition of leadership is done from one generation to the other.

Both scholars concluded that failure to do that often results in a high risk of business sustainability itself. Walsh (2011)'s observation also compounds the challenges and complexities that intergenerational members of the family tend to have different sets of business and personal values. Again Walsh (2011) concluded that failure to sufficiently reconcile these values can result in conflict and unnecessary stress among the members of the family with detriment outcomes to family businesses itself. This study thus concluded that leadership succession, while differently experienced at the family level is a complex and multi-dimensional process requiring a lot of careful thinking to make it work.

The emphasis thinking carefully about leadership succession planning is confirmed by Grove (2017), who argued that there is an inherent need to plan and think to achieve effective leadership transition carefully. This complex nature of leadership succession planning and the absence of external professional support, as was mentioned as the case for most families interviewed will continue to be a huge challenge faced by many family-owned businesses in South Africa. Further, this gives added value to the recommendations for effective leadership succession planning, as presented later in this chapter.

## **6.7 How does leadership succession planning affect performance and sustainability of a family business?**

Another interesting finding related to how leadership succession is understood and experienced across the different families participating in this study is how participants link it to the performance and sustainability (continuity) of their family business. Several scholars had already confirmed the interplay between succession leadership planning, business sustainability and general performance of a business enterprise. In Peter Ducker's (1967)'s common sense theory existence of a direct and optimistic association between business current succession leadership planning and its overall performance and sustainability is confirmed.

Positive relationship allows new individual family members to take charge for purposes of bringing in new ideas (Adler *et al.*, 2013). This is consistent with what participants presented about how they see and experience leadership succession planning as a motivation for the desire to ensure business continuity and improved performance.

Furthermore, the study confirmed that leadership succession planning is linked to sustainability and general performance within family-owned enterprises as suggested by Tagiuri and Davis (1982). Effective leadership succession planning contributes to improved performance and sustainability of a family-owned business (participants 2, 3, and 9). This is consistent with Swider and Ning Li (2013) and Price water Coopers (2011)

Conversely, study also found that levels of sustainability and failure of many family-owned businesses are related to their inability to come up with effective succession leadership planning. This observation confirms the vital role that leadership succession planning plays in enhancing the performance and sustainability of the family-owned business. This finding agrees with Cho *et al.*, (2017). Another interesting observation from the study was that leadership succession planning entails strategic replacement of critical individuals over time and capacity development within the business firms to ensure that effective general performance is maintained. This is also consistent with Perret (2016) and Rothwell (2010) arguments.

As discussed earlier, the study, therefore, concluded that leadership succession planning in the context of family-owned business is directly linked to the quest to

ensure business continuity and improved performance. However, it is also essential as suggested by several scholars, that the extent to which leadership succession planning affect performance and sustainability is determined by how well the plan is managed, and that in some cases negative results are experienced. This was also observed by Rowe *et al.* (2005).

The negative effects on the business sustainability and performance could be attributed to destabilisation effects on the work environment, and the forced adaptation by organisational staff to working with a new leader or leadership approaches. Hence while it is generally accepted that leadership succession planning is often linked to improved business continuity and performance, it is also true that in some cases, family businesses have suffered the consequences of the same process. This is consistent with findings of other scholars such Cho *et al.*, (2017) and Perret (2016).

#### **6.7.1 Factors affecting successful leadership succession planning in family-owned businesses**

One of the research questions that this study sought to answer was around the factors that shape the way leadership succession was done within the context of a family-owned business. Factors that specifically came out and discussed in section 6.4 include family values such as trust, honesty, and unity and also aspects of effective leadership, interest and transition awareness. Mishra and El-Osta (2007) said that positive leadership succession planning and outcomes are achieved due to the strong emphasis on a unit within the families.

Most of the participants talked of why it is imperative to think about family values and consider things such as interest and trust when planning leadership transition. Other participants (Participants 3, 7 and 14 included) reported that leadership succession must be based on hard work, practical skills transfer and general ability of the potential successor to take the family business to greater heights. Carr and Sequeira (2007) confirmed the importance of ensuring that the prospective successor is capacitated and given a chance to gain the necessary skills to take the family business to the next level of performance.

While Hale *et al.* (2002) and Zellweger, (2017) acknowledged that family member's attitudes and values are fundamental in that these determine how one can see and

respond to the perceived leadership change. In concurrence Fishbein and Ajzen, (1975) weighed in by arguing that where there is a positive attitude towards the planned leadership change or a strong belief in the successor, the leadership succession tends to be easier and its implications for the performance and sustainability of a family business is always positive.

Also mentioned and emphasised as an important factor to consider is transition awareness, or in simple terms making it known to all family members how the succession is being planned including a selection of the successor. It is argued that awareness and transparency are critical for maintaining family trust and cohesion. Emphasising the importance of transition awareness, Saxen (2013) explained how disputes among family members which result from the absence of transparent succession planning led to failures of family businesses in India.

Furthermore, the need for transparency was pointed out by Rothwell (2010) when he argued that part of the strategic plans and management of leadership change within the business organisation should include the formation of formalised succession planning. Drawing on “social exchange theory” Daspit *et al.* (2016) pointed out that the ability to facilitate the formal succession planning, diminish uncertainty throughout the process and validating the responsibilities and roles of all family members.

Another common factor affecting succession planning in a family business is the leadership style employed by current owners (Gersick *et al.*, 1997). He argued that the leadership style used by the current owners determines how leadership succession will play out (Gersick *et al.*, 1997). Scotland (2010) talked of the notion of a “plural leadership” style, arguing that this as also pointed out by some of the participants interviewed allows for mentoring of a prospective successor to the family business. In the same line of argument, when decisions in businesses owned and run by family’s is the sole responsibility of one person, and entails a yes or no, it usually becomes complicated to discuss or plan for leadership succession (Leach *et al.*, 2002).

In conclusion, the study revealed that several factors determine how leadership succession planning is understood and experienced and that these factors are intertwined and often overlaps. For example, as already pointed out, family values such as transparency, unity, honesty and trust are closely intertwined, implying that if

one is in practice, it is not possible to achieve without the other. Once again, this observation is taken into consideration in the development of the recommendations presented below.

## **6.8 ON GUIDELINES TO IMPROVE LEADERSHIP SUCCESSION PLANNING**

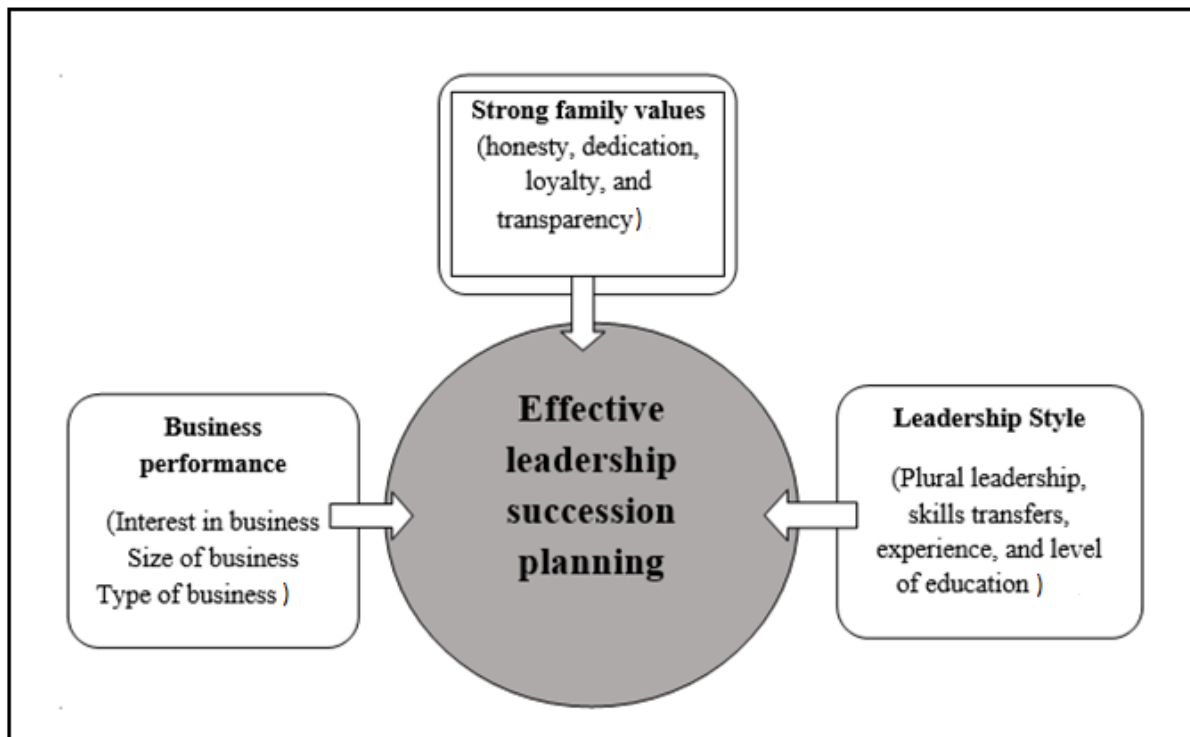
Based on insights emerging from the findings of this study, as overviewed above and drawing on existing literature many guidelines (recommendations) can be put forward to help family-owned businesses navigate the complexities around leadership succession planning. These recommendations are specific to the context of a family-owned business in South Africa. Still, because they also draw on international literature, it can be of value to companies outside of the country. The following are some of the practical guidelines to consider for leadership succession planning:

- **Promote a plural leadership approach.** It has proven to be very useful in terms of succession amongst family business as it creates a sense of co-ownership and interest in the family business amongst all family members. Studies have shown that when decisions in businesses owned and run by family's is the sole responsibility of one person, and entails a yes or no it usually becomes challenging to discuss or plan for leadership succession.
- **Expose the potential successor to the business as early as possible.** Judging on evidence generated and the emphasis put on skills transfer as a requisite for effective leadership succession planning, families must involve the potential leader in the management of the family business on time. It simply helps to promote skills transfer, thus preparing the new leader to do even much better.
- **Choose a successor based on interest shown and experience within the family business.** This point does not need any overemphasis. Without some kind of interest and the requisite level of experience in the family business, it is improbable that the new successor can take the family business to the greater heights as is often the desire and motivation for undertaking leadership succession planning.

- **Consider honesty, trust and be transparent.** It is also very important. Effective leadership succession planning can be achieved more easily by considering some of the characteristics of the family members such as loyalty and honesty, but in addition to this, the entire process needs to be done in a way that is open and communicated across all family members. Negotiations about the possible successor should be communicated to all the family shareholders of the business. This will reduce tensions and conflict that may arise due to mistrust and anxiety.
- **Consider seeking external profession expertise to support you.** It became apparent that those families who sought external professional support had more positive experiences of undertaking leadership succession planning as compared to those who did not. External professional support includes making sure you allow for training of potential successor in business management courses. It may also entail getting legal aid to help mediate some of the conflicts that may arise as a result of leadership changes over time and across generations.

## **6.9 PROPOSED MODEL FOR LEADERSHIP SUCCESSION PLANNING**

Using these theoretical and practical recommendations, as discussed above, the researcher proposes that the best possible model for managing leadership succession planning would be where authentic relationships between leadership succession planning, and performance and sustainability of a family-owned business are reflected, and the key factors determining how effective transition are both equally depicted. Figure 6. 3 is a representation of such a model.



*Figure 6.3: Model for leadership succession planning*

The model shows that there is a need to conceptualise leadership succession planning as a process made up of different dimensions which interact to produce the desired effective leadership transition, and improved business performance and sustainability. By working with this conceptual model and considering the guidelines given, family-owned businesses can be assisted to improve their capacities to manage leadership succession planning, thus enhancing the performance and sustainability of their ventures. It is very critical given the contribution to national GDP that family businesses continue to make in post-apartheid South Africa.

## **6.10 THEORETICAL CONTRIBUTION**

The study developed a hybrid theoretical framework using four leadership succession theories, namely common-sense theory, vicious cycle, the ritual scapegoating theory and planned behaviour theory. Many theories and frameworks of leadership succession are piecemeal and therefore do not provide a comprehensive and an integrated model of leadership succession and hence a single model or framework on its own does not sufficiently provide guidelines on leadership succession. Unlike prior



models and frameworks, the current study has developed an innovative model that integrates leadership, family values and business performance factors.

Although family business is a widely researched phenomenon especially in developed economies, by incorporating family values or Ubuntu-based aspects namely dedication, loyalty, respect, honesty and transparency, the study brings in cultural aspects that are peculiar to an African context in general and to a South African context in particular.

### **6.11 SUMMARY**

Chapter Six presented the data generated through the 15 interviews which were then used to interpret and make sense of the emerging themes and how they related to leadership succession planning, performance and business sustainability. Based on the analysis of data, emerging themes, and in line with the research questions, the discussion moved on to consider the main findings of the study. In addition, and as anticipated in the study, Chapter Six presented the emerging recommendations and conceptual model for improving the way leadership succession planning is managed within a family-owned business.

By presenting a model of leadership succession planning which practitioners can use or apply, the study has made a considerable contribution to ensuring that the family-owned business can come up with the right leadership successors. In Chapter Seven, the researcher moves on to share her reflections on how the entire study was conceptualised and conducted.

## **CHAPTER SEVEN: REFLECTIONS, CONCLUSION AND RECOMMENDATIONS**

### **7.1 INTRODUCTION**

This chapter provides a reflection and emerging knowledge insights based on the findings of this study. The chapter is discursive and thus seeks to share with the reader the meaning-making processes that the researcher undertook to answer the research questions asked. It starts by outlining the overall constitution of this study, what motivated it or what its knowledge interest was, and how the review was epistemological designed and methodologically conducted, before moving on to reflect on what the research has done in terms of contributing to the body of knowledge around leadership and business management practice.

This contribution to knowledge is discussed at two levels, namely at literature and field of business management levels. The chapter also provides detail on the limitations inherent in the study design and methodology, pointing out implications for the generalisation and application of the study findings. The chapter closes by, as anticipated and highlighted in chapter one presenting several practical recommendations to guide and support leadership succession planning within the confines of family-owned businesses in South Africa. Chapter 7 is thus conclusive in orientation, and as such, it is structured also to highlight possible areas for future studies.

### **7.2 REFLECTIONS ON THE STUDY**

Looking back at how the entire study was conceptualised, designed and conducted the researcher discusses her reflections here. First, to be mentioned is that the researcher's knowledge interest and motivation to undertake this study is linked to her earlier studies around leadership as an essential aspect in business management. Hence the conceptualisation of this study, including its focus and research questions was to a large extent influenced by this research background.

Based on this background to why this study was conducted the researcher feels that besides focusing on how leadership succession planning is understood and managed she could also have included a follow-up element of what leadership itself is as experienced by the family businesses participating in the study. Another knowledge aspect that could also have been explored further is the need to generate data that can help the study to quantify the extent to which leadership succession planning affects performance and sustainability of family-owned ventures. In this study, this relationship was reconfirmed but not quantified.

Regarding the methodology used, the researcher also reflected and acknowledges that the findings of this study could have benefited from having more research participants. The sample size used if time and resources allowed could have been doubled. Doubling the sample size could have generated much more data upon which to make knowledge claims. As already pointed the data collection instruments could have also been designed in such a way that the researcher could have managed to collect data related to the extent to which leadership succession planning impacted on the performance and sustainability of the participating family-owned businesses.

However, all is not lost as these perceived areas of improvement constitute opportunities for further research upon which the researcher can develop a couple of journal papers going forward. The time and resources available explain why some of these issues could not be done, and important is that the study did manage to adequately explore and answer its set research questions, including developing model and practical guidelines on leadership succession planning.

## **7.3 CONCLUSIONS**

### **7.3.1 How were the research questions answered?**

Key questions motivating the conduction of this study, as overviewed in Chapter One and four, were answered and discussed in Chapter Six. Responses to the questions were developed through analysis of and deployment of both quantitative and qualitative data. The questionnaires administered and interviews conducted produced the data upon evidence and knowledge claims regarding how leadership succession planning and its impact on the performance and sustainability of a family-owned business is understood and experienced.

Also, to emerge out of the data analysis but also in tandem with the purpose of the study was the development of a set of recommendations coupled with a conceptual model for improving how leadership succession can be managed within family businesses. Hence and as discussed in Chapter Six, the researcher is confident to conclude that questions constituting this study were adequately answered and new knowledge generated.

### **7.3.2 Study limitations**

In synchronising with the researcher's reflections above, it must also be mentioned that this study could have benefited from having more time and resources to conduct it. Essentially the sample size represents a limit, and the implications on this are that the findings of the study, even though credible and trustworthy cannot be generalised across the entire spectrum of the family-owned business context in South Africa. With a bigger sample size, which of course entailed having more resources at hand, it was going to be epistemologically logical to claim that these findings are general to all contexts of leadership succession planning and how it is experienced within the context of a family-owned business.

Another limitation which again relates to reflections made above is around the study not being able to quantify the extent to which leadership succession planning affects the performance and sustainability of a family-owned business. More work is needed to establish this, and the researcher thinks this is the kind of follow-up study that she will undertake beyond this study.

Furthermore, this study, given its focus and nature, suffered from the absence of adequate and robust enough previous studies that concentrate on the leadership succession planning and how it influences business sustainability and general performance in family-owned business within the context of South Africa. Hence, the implications of this are that the research relied heavily on studies done elsewhere in trying to develop a deeper understanding of what other scholars and researchers have already said about this particular research phenomenon.

In addition, the study was also affected by the possibility of the critical informants of those cases (selected family business enterprises) not wanting to fully share their experiences and perceptions regarding leadership succession planning, because, as

already acknowledged by several studies, this topic is often treated as confidential and of a very personal nature. The subject usually raises emotions and suspicions (Groves, 2017; Patidar, 2016; Calus & Van Huylbroek, 2008). However, efforts were made by the researcher to come up with ideas and strategies for mediating these possible limitations, and these are reported in chapter seven.

### **7.3.3 Delimitations of the study**

This study focused on family-owned business, mainly those that are in their second or third generation stage and have already experienced the process of succession leadership. Of note is that non-family-owned businesses were not considered and thus, findings from this study cannot be over generalised to all types of businesses.

### **7.4 The original contribution of the study**

As desired during the conceptualisation and design stages, the researcher has made substantial knowledge and practical contribution to the field of leadership and business management. Firstly, the study generated a vast amount of knowledge relating to the conceptual framing of what constitutes leadership succession planning in South Africa.

The study further revealed how this concept is actually understood and experienced, thus bringing to the fore new insights upon which the idea of leadership succession planning is made much more accessible. In exploring the factors determining how leadership succession planning is managed across the different family contexts, the study also generated new knowledge upon which a model and set of practical guidelines were made.

Secondly, this study also contributed to the practice of leadership succession planning. This contribution is represented by the carefully thought through practical guidelines and model developed which family-owned businesses can adopt and adapt for their use to improve leadership succession planning. The applicable guidelines and model, as presented in Chapter Six, make this study valuable in the field of business management.

Also noteworthy is that the study presented some areas that still need more research attention, thus providing a basis for design and conduct of more reviews on this interesting topic of leadership succession planning.

#### **7.4.1 Theoretical contribution**

The study developed a hybrid theoretical framework using four leadership succession theories, namely common sense theory, vicious cycle, the ritual scapegoating theory and planned behaviour theory. Many theories and frameworks of leadership succession are piecemeal and therefore do not provide a comprehensive and an integrated model of leadership succession and hence a single model or framework on its own does not sufficiently provide guidelines on leadership succession. Unlike prior models and frameworks, the current study has developed an innovative model that integrates leadership, family values and business performance factors.

Although family business is a widely researched phenomenon, especially in developed economies, by incorporating family values or Ubuntu-based aspects namely dedication, loyalty, respect, honesty and transparency, the study brings in cultural aspects that are peculiar to an African context in general and to a South African context in particular.

#### **7.4.2 Practical contribution**

As already pointed out in Chapter Six, one of the key contributions of this study is the development of a set of practical recommendations to guide family-owned business in their struggles with managing leadership succession planning. Even though not exhaustive, the set of recommendations have huge potential to mediate and improve contemporary practices of leadership succession planning. To a couple of these recommendations, the study also presented a conceptual model for understanding and managing leadership succession planning. This model represented the nexus of both theory and practice and used in conjunction with the recommendations can go a long way in helping improve the practices around leadership succession planning.

### **7.4.3 Recommendations for future research**

Areas of interest and that may need further investigation include firstly, the need to explore in detail some of the emerging correlations between the various factors affecting the way leadership succession planning is understood and managed within family-owned businesses in South Africa. These correlations were in this study established but not explored in detail.

Secondly, it may also be interesting to probe further how levels of education and experience are considered in the entire matrix or process of leadership succession planning. Through more studies, empirical evidence can be generated to support how the level of knowledge and experience correlates to the performance and sustainability of the family business in question.

Other correlations that may also be of interest for this field is around how race, culture and gender relate to leadership succession planning and management. More studies explicitly focusing on such succinct issues is what this study recommend, and that the researcher will endeavour to pursue in future.

## **7.5 CONCLUSION**

In conclusion, this study was conceptualised, designed, and successfully conducted. The study has made several valuable findings regarding the set research questions. In essence, this study adequately explored and answered the question of how leadership succession planning is experienced and managed within a family-owned business in South Africa.

The study, therefore, is vital in that it generated new knowledge upon which practical guidelines and a model for the management of leadership succession planning in ways that improve the sustainability and performance of family-owned business ventures were developed. It will thus go a long way in helping family-owned businesses to navigate the challenges linked to the complex process of leadership succession.

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**ANNEXURE I  
QUESTIONNAIRE**

Research topic

A model for leadership succession planning for family-owned business enterprises

79360688

Mushimbei Mwilima Mwansa

Thesis

Doctor of Business Leadership

University of South Africa (UNISA)

**Supervisor:** Professor Philip Serumaga-Zake

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GUIDING Instructions:

- i. Thank you for accepting to fill in this questionnaire for me. Your support is highly appreciated.
- ii. In filling in this questionnaire, please feel free to contact me for any clarification.
- iii. I also kindly ask you to put aside at least an hour to fill in the questionnaire.
- iv. You can also print and handwrite your answers onto the spaces provided.
- v. Once filled in please e-mail the questionnaire to e-mail address: [lmwilima2@yahoo.com](mailto:lmwilima2@yahoo.com)

## Part 1: DEMOGRAPHIC INFORMATION

Age range	
Your location	
Size of family	
Type of business	
Your position in the family	
Your position in the business	
Highest level of education	

## Part 2: ABOUT THE FAMILY BUSINESS

How old is the business	
What does the business do	
Who is in charge of the business	
Is the founder member still active in the management of the business	

Which of the following income group includes the net value of your business?

- R0-R1,000,000,

- R1,000, 001-R2, 000,000
- R2, 000, 001 –R3, 000,000
- R3, 000,001 and above

How would you rate the overall performance of your business?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

### PART 3: UNDERSTANDING OF LEADERSHIP SUCCESSION PLANNING

Did you receive any training in leadership succession planning?

Do you get any help with the drafting of a leadership succession plan?

If yes please

explain\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

How often do you review your leadership succession planning?

\_\_\_\_\_

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Part 4: LEADERSHIP SUCCESSION PLANNING & BUSINESS PERFORMANCE AND SUSTAINABILITY

- Did leadership succession planning affect the way your family business was performing?
  
- Do you always consider the performance and sustainability of the family business when you change the leadership of the business? YES/NO

Please explain your answer

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THANK YOU FOR YOUR TIME

## ANNEXURE II INTERVIEW SCHEDULE

**RESEARCH TOPIC:** A model for leadership succession planning for family-owned business enterprises

79360688

Mushimbei Mwilima Mwansa

Thesis

Doctor of Business Leadership

University of South Africa (UNISA)

**Supervisor:** Professor Philip Serumaga-Zake

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setting the scene

- i. Thank you for accepting to do this interview with me. Your support is highly appreciated and will go a long way in helping me to complete this study.
  - ii. Please feel at ease and free to express your thoughts regarding the issues to be discussed in this interview
  - iii. Please note that the interview will take approximately 30-40 mins, and will be, ***with your permission*** audio recorded.
- 

1. What does leadership succession planning mean to you?
2. Why is leadership succession planning important for family-owned business in South Africa?
3. How is leadership succession planning done in your family business?
4. When last did you do a leadership succession planning?

5. What motivated you to get the leadership succession done?
6. What strategies do you use to make sure that leadership succession planning is done effectively?
7. What has been your experience of leadership succession planning?
8. How did it affect the performance and sustainability of your family business?
9. To what extent do you think leadership succession affect the sustainability of your family business?
10. From your experience as a member of a family-owned business in South Africa, what are some of the challenges that families face in developing and implementing leadership succession plans?
11. What do you think are some of the factors that affect how leadership succession is done?
12. Given the challenges faced by a family business, what would you recommend as practical guidelines for ensuring that leadership succession is done in ways that improve the performance and sustainability of the business in question?
13. What can you give as advice to other family-owned business to help improve the way they develop and manage leadership succession planning?
14. What else would you want to say about leadership succession planning, the way it is being done, and how it affects the performance and sustainability of family-owned business enterprise?

THANK YOU FOR YOUR TIME

## ANNEXURE III ETHICAL CLEARANCE

Graduate School of Business Leadership, University of South Africa, PO Box 171, Unisa, 0001, South Africa  
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### SCHOOL OF BUSINESS LEADERSHIP RESEARCH ETHICS REVIEW COMMITTEE (GSBL CRERC)

30 April 2019

Prof #: 2019\_SBL\_OBL\_002\_FA

Name of applicant: Mrs MM  
Mwansa

Student #: 79360588

Dear Mrs Mwansa

**Decision: Ethics Approval**

**Student:** Mrs MM Mwansa, [lmwilima2@yahoo.com](mailto:lmwilima2@yahoo.com), 078 518 2754

**Supervisor:** Prof P Serumaga-Zake, [psur\\_jiragazake@yahoo.com](mailto:psur_jiragazake@yahoo.com), 082 806 3697

**Project Title:** A conceptual model for leadership success on planning for family owned business enterprises.

**Qualification:** Doctor of Business Leadership (DBL)

**Expiry Date:** December 2024

Thank you for applying for research ethics clearance. SBL Research Ethics Review Committee reviewed your application in compliance with the Unisa Policy on Research Ethics.

**Outcome of the SBL Research Committee:**

**Approval is granted for the duration of the Project**

The application was reviewed in compliance with the Unisa Policy on Research Ethics by the SBL Research Ethics Review Committee on the 25/04/2019.

The proposed research may now commence with the proviso that:

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
- 2) Any adverse circumstances arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should

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be communicated in writing to the SBL Research Ethics Review Committee.

- 3) An amended application could be requested if there are substantial changes from the existing proposal, especially if these changes affect any of the study-related risks for the research participants.
- 4) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Kind regards,



Prof. R. Rampho

**Chairperson: SBL Research Ethics Committee**

011 - 652 0363 or [ramphrr@unisa.ac.za](mailto:ramphrr@unisa.ac.za)

2/5/2019



Prof. R. Mgofo

**Executive Dean (Acting): Graduate School of Business Leadership**

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## **ANNEXURE IV CODE REPORT**

Project: Conceptual Model for Family Business1 (Snapshot 2020-3-30 13:08:09)

Report created by Mushimbei.Mwansa on 6/29/2020

Code Report

All (19) codes

- Business Continuity
- Business interest
- Contradictory values
- Effective leadership
- External expertise
- Family Expectations
- Family Size
- flexibility to take on different tasks of jobs
- Formalising Succession Planning
- Hard work
- Importance of leadership succession
- Indicators for measuring performance
- Initiation of leadership succession
- Level of education
- Level of experience
- Skills Transfer
- Strong family values
- Succession Planning
- Transition awareness

**ANNEXURE V**  
**QUOTATION REPORT**

Project: Conceptual Model for Family Business1 (Snapshot 2020-3-30 13:08:09)

Report created by Mushimbei.Mwansa on 6/29/2020

**Quotation Report**

All (756) quotations

2:1 It means there will be continuity in the business if you have leadersh..... (124:216) - D 2: Participant 2

It means there will be continuity in the business if you have leadership succession planning.

2:3 You have to bring them in as early as possible into the business so th..... (516:631) - D 2: Participant 2

You have to bring them in as early as possible into the business so that they can learn from you on how to do things

2:4 In other words, you have to groom them as early as possible so that th..... (634:743) - D 2: Participant 2

In other words, you have to groom them as early as possible so that they know how the business is being run.

2:5 When you come in the business, you will be around them all the time. H..... (826:1172) - D 2: Participant 2

When you come in the business, you will be around them all the time. How do they speak to the customers, how do they interact with staff, how do they interact with the urgencies in factory in the company and then one by one they give you a small responsibility and they follow up to see if you are doing it correctly and if not you fine tune them.

2:7 Whenever you do not do things according to what should be done, they c..... (1324:1454) - D 2: Participant 2

Whenever you do not do things according to what should be done, they call you in, they chat with you and they guide you through it.

2:8 They keep on monitoring your performance all the time until you are ca..... (1456:1592) - D 2: Participant 2

They keep on monitoring your performance all the time until you are capable of pursuing all the required duties without any supervision.

2:9 We do it all the time, we talk about it all the time at least once a w..... (1664:1738) - D 2: Participant 2

We do it all the time, we talk about it all the time at least once a week.

2:10 I benefited from it when I came into the business. (1813:1862) - D 2: Participant 2

I benefited from it when I came into the business.

2:11 I learnt a lot from my parents when I came in and there is no better w..... (1864:1975) - D 2: Participant 2

I learnt a lot from my parents when I came in and there is no better way of learning besides the practical way.

2:12 Nobody can teach it, you ve got to be practically. (2014:2065) - D 2: Participant 2

Nobody can teach it, you ve got to be practically.

2:13 The first thing is to introduce all the family members to the business..... (2201:2356) - D 2: Participant 2

The first thing is to introduce all the family members to the business. Through that you will be able to see who are committed or not and take it from there

2:14 Just like what happened in my case, my father introduced me to the bus..... (2359:2451) - D 2: Participant 2

Just like what happened in my case, my father introduced me to the business while I was young

2:16 I was very committed and dedicated to all the duties that were given t..... (2513:2588) - D 2: Participant 2

I was very committed and dedicated to all the duties that were given to me.

2:17 I was exposed to various business operations within the company. So I..... (2589:2689) - D 2: Participant 2

I was exposed to various business operations within the company. So I am using the same strategy now

2:18 I was exposed to various business operations within the company. (2589:2653) - D 2: Participant 2

I was exposed to various business operations within the company.

2:22 I have coached him and I am happy to say that if I were to die today m..... (2846:2996) - D 2: Participant 2

I have coached him and I am happy to say that if I were to die today my son will be capable to run the business because he has been thoroughly groomed.

2:24 That's why I believe for the business to be sustainable, you have to g..... (3189:3336) - D 2: Participant 2

That's why I believe for the business to be sustainable, you have to groom a possible successor by equipping him with various practical experience.

2:25 To see that those that you are teaching how to do things, they do it c..... (3419:3498) - D 2: Participant 2

To see that those that you are teaching how to do things, they do it correctly.

2:26 When you see them doing things correctly then your planning strategy i..... (3499:3578) - D 2: Participant 2

When you see them doing things correctly then your planning strategy is correct.

2:27 When you see them doing things correctly then your planning strategy i..... (3499:3579) - D 2: Participant 2

When you see them doing things correctly then your planning strategy is correct.

2:28 My parents used to give me a lot of opportunity to do things, they wou..... (3580:3788) - D 2: Participant 2

My parents used to give me a lot of opportunity to do things, they would stand back and monitor me to see if I am doing well and when they gave me the business responsibility, I knew that look I am doing well.

2:29 When a younger person comes into the business, they come in with young..... (3884:4044) - D 2: Participant 2

When a younger person comes into the business, they come in with younger ideas so it helps the business to grow in a different way as well and different stages.

2:30 When a younger person comes into the business, they come in with young..... (3884:4043) - D 2: Participant 2

When a younger person comes into the business, they come in with younger ideas so it helps the business to grow in a different way as well and different stages.

2:31 When you see the growth in the business and response from customers. (4163:4231) - D 2: Participant 2

When you see the growth in the business and response from customers.

2:32 When you see the growth in the business and response from customers. T..... (4163:4423) - D 2: Participant 2

When you see the growth in the business and response from customers. They are happy with what's going on in the business, they are happy with the services, they are happy with quality of the goods that you are selling then you look all you are on the right pass

2:33 They are happy with what's going on in the business, they are happy wi..... (4232:4423) - D 2: Participant 2

They are happy with what's going on in the business, they are happy with the services, they are happy with quality of the goods that you are selling then you look all you are on the right pass

2:34 The most challenge we face when coming up with a succession planning i..... (4632:4762) - D 2: Participant 2

The most challenge we face when coming up with a succession planning is first looking for a competent and dedicated family members

2:35 The most challenge we face when coming up with a succession planning i..... (4633:4763) - D 2: Participant 2

The most challenge we face when coming up with a succession planning is first looking for a competent and dedicated family members.

2:36 So they have to be competent and dedicated. (4765:4808) - D 2: Participant 2

So they have to be competent and dedicated.

2:37 They have to be committed for work. (4809:4843) - D 2: Participant 2

They have to be committed for work.

2:41 All the potential successors of family business must be empowered with..... (5465:5599) - D 2: Participant 2

All the potential successors of family business must be empowered with practical business skills for the smooth running of the business

2:42 For example, the committed member of the family must be exposed to dif..... (5601:5761) - D 2: Participant 2

For example, the committed member of the family must be exposed to different roles within the company. They must know basic day-to-day operation of the business

2:43 For example, the committed member of the family must be exposed to dif..... (5602:5703) - D 2: Participant 2

For example, the committed member of the family must be exposed to different roles within the company.

2:44 They must know basic day-to-day operation of the business (5705:5761) - D 2: Participant 2

They must know basic day-to-day operation of the business

2:45 They have to be mentored adequately. (5764:5801) - D 2: Participant 2

They have to be mentored adequately.

2:47 Reasons to choose the possible family member to succeed the business s..... (6053:6204) - D 2: Participant 2

Reasons to choose the possible family member to succeed the business should be articulated clearly to the members of the family involved in the business

2:48 The chosen possible successor should be thoroughly groomed (6207:6264) - D 2: Participant 2

The chosen possible successor should be thoroughly groomed

2:49 at the same time you need to leave room for him or her to come up with..... (6267:6397) - D 2: Participant 2

at the same time you need to leave room for him or her to come up with creative and innovative ideas on how to expand the business.

2:50 The performance of the possible successor should also be continuously..... (6399:6493) - D 2: Participant 2

The performance of the possible successor should also be continuously monitored and evaluated.

2:51 The succession plan should be reviewed every after six month. A (6494:6556) - D 2: Participant 2

The succession plan should be reviewed every after six month. A

2:52 All the family members involved in the day-to-day running of the busin..... (6555:6705) - D 2: Participant 2

All the family members involved in the day-to-day running of the business should capacitated with necessary skills to execute the duties effectively.

2:54 Leadership succession planning should be discussed with all stakeholde..... (6911:6996) - D 2: Participant 2

Leadership succession planning should be discussed with all stakeholders all the time.

2:55 A successor should be chosen based on the experience for instance (6998:7062) - D 2: Participant 2

A successor should be chosen based on the experience for instance

2:56 A successor should be chosen based on the experience for instance look..... (6998:7119) - D 2: Participant 2

A successor should be chosen based on the experience for instance looking at his commitment while working in the business.

2:57 Family members must be exposed to various tasks performed within the f..... (7120:7297) - D 2: Participant 2

Family members must be exposed to various tasks performed within the family business so that they can acquire relevant skills required in the day-to-day running of the business.

2:58 Family members must be exposed to various tasks performed within the f..... (7120:7296) - D 2: Participant 2



Family members must be exposed to various tasks performed within the family business so that they can acquire relevant skills required in the day-to-day running of the business

2:59 Provide a written and signed document stating the name of the next suc..... (7298:7410) - D 2: Participant 2

Provide a written and signed document stating the name of the next successor and other duties of family members

2:60 Provide a written and signed document stating the name of the next suc..... (7299:7409) - D 2: Participant 2

Provide a written and signed document stating the name of the next successor and other duties of family members

2:61 As you can see I am about to retire and will soon leave the business i..... (2692:2783) - D 2: Participant 2

As you can see I am about to retire and will soon leave the business in the hands of my son.

2:62 This business is in its third generation. It was first started by my g..... (2998:3336) - D 2: Participant 2

This business is in its third generation. It was first started by my grandfather, then it was passed on to my farther and my farther passed it on to me and I am also passing it on to my son. That's why I believe for the business to be sustainable, you have to groom a possible successor by equipping him with various practical experience.

2:63 they give you a bigger responsibility, and then a bigger responsibility..... (1183:1322) - D 2: Participant 2

they give you a bigger responsibility, and then a bigger responsibility, finally to the point where you know how to do everything correctly.

2:64 Not having a common consensus is what causes problems (5165:5218) - D 2: Participant 2

Not having a common consensus is what causes problems

2:65 Have a dialogue and agree with all the family how succession will be d..... (5090:5162) - D 2: Participant 2

Have a dialogue and agree with all the family how succession will be done

2:66 discussions about a possible successor should be communicated to all t..... (5964:6051) - D 2: Participant 2

discussions about a possible successor should be communicated to all the family members.

2:67 Look, you ve got to plan otherwise what's going to happen if you did n..... (323:514) - D 2: Participant 2

Look, you ve got to plan otherwise what's going to happen if you did not plan for your business when the younger generation comes into the business, they wouldn't know how to run the business.

2:68 You need to have an open mind and be prepared to listen to the younger..... (4952:5088) - D 2: Participant 2

You need to have an open mind and be prepared to listen to the younger people and not have a closed mind to say your way is the only way.

2:69 I used to work for my father and I was very committed and dedicated to..... (2481:2588) - D 2: Participant 2

I used to work for my father and I was very committed and dedicated to all the duties that were given to me.

2:70 they would stand back and monitor me to see if I am doing well and whe..... (3642:3787) - D 2: Participant 2

they would stand back and monitor me to see if I am doing well and when they gave me the business responsibility, I knew that look I am doing well

3:1 It is planning of preparing another leader to take over the business (126:194) - D 3: Participant 3

It is planning of preparing another leader to take over the business

3:4 Before he passed away he trained my husband with all the business skill..... (678:779) - D 3: Participant 3

Before he passed away he trained my husband with all the business skills required to run this business

3:5 He did not have a written document (781:816) - D 3: Participant 3

He did not have a written document

3:7 When my late husband took over the family business, he groomed me in m..... (1000:1098) - D 3: Participant 3

When my late husband took over the family business, he groomed me in managing the business as well.

3:8 So we worked together till he passed on ten years ago (1100:1152) - D 3: Participant 3

So we worked together till he passed on ten years ago

3:9 So we worked together till he passed on ten years ago. Since then I ha..... (1100:1198) - D 3: Participant 3

So we worked together till he passed on ten years ago. Since then I have been running the business

3:11 Since then I have been running the business and now I am also handing..... (1155:1289) - D 3: Participant 3

Since then I have been running the business and now I am also handing it over slowly to my first born son because I am about to retire.

3:13 I am grooming him (1290:1308) - D 3: Participant 3

I am grooming him

3:14 he has shown a lot of interest. (1313:1343) - D 3: Participant 3

he has shown a lot of interest.

3:15 He has come up with new ideas which is actually working well for the b..... (1344:1422) - D 3: Participant 3

He has come up with new ideas which is actually working well for the business.

3:16 I delegate most of the work to him and he implements the work effectiv..... (1423:1518) - D 3: Participant 3

I delegate most of the work to him and he implements the work effectively without any problems.

3:17 I delegate most of the work to him and he implements the work effectiv..... (1424:1518) - D 3: Participant 3

I delegate most of the work to him and he implements the work effectively without any problems.

3:18 So I have faith he will grow this business further. (1519:1570) - D 3: Participant 3

So I have faith he will grow this business further.

3:19 So I have faith he will grow this business further. (1520:1571) - D 3: Participant 3

So I have faith he will grow this business further.

3:21 I have also spoken about his taking over casually to the family member..... (1572:1676) - D 3: Participant 3

I have also spoken about his taking over casually to the family members and they are all fine with it.

3:22 At the moment I am busy with it though I have already announced my suc..... (1746:1830) - D 3: Participant 3

At the moment I am busy with it though I have already announced my successor casually

3:23 All the family members are aware that my eldest son is taking over, so..... (1833:1942) - D 3: Participant 3

All the family members are aware that my eldest son is taking over, so I could say I did it casually last year

3:24 With South Africa's high unemployment rate, it is important to encoura..... (2019:2107) - D 3: Participant 3

With South Africa's high unemployment rate, it is important to encourage entrepreneurship

3:25 Furthermore we have many families dependent on us (2110:2158) - D 3: Participant 3

Furthermore we have many families dependent on us

3:26 and even though we are nearing retirement age, we need to keep the bus..... (2160:2244) - D 3: Participant 3

and even though we are nearing retirement age, we need to keep the business running.

3:27 Ours is not a black and white strategy but mainly learning from experi..... (2358:2488) - D 3: Participant 3

Ours is not a black and white strategy but mainly learning from experience and delegating more and more responsibilities gradually.

3:28 A new successor will bring in new ideas to the business and make it be..... (2572:2718) - D 3: Participant 3

A new successor will bring in new ideas to the business and make it become more profitable because he or she does not want to see the business fail

3:29 A new successor will bring in new ideas to the business and make it be..... (2572:2662) - D 3: Participant 3

A new successor will bring in new ideas to the business and make it become more profitable

3:30 In my case I think I have worked hard that's why it's in existence tod..... (2720:2793) - D 3: Participant 3

In my case I think I have worked hard that's why it's in existence today.

3:31 In terms of handing over the business to my son, I am enjoying it as I..... (2795:2946) - D 3: Participant 3

In terms of handing over the business to my son, I am enjoying it as I am now able to go more often on holiday and also my working hours are shortened.

3:32 my aim was to work hard and to expand the business. Fortunately I mana..... (3072:3192) - D 3: Participant 3

my aim was to work hard and to expand the business. Fortunately I managed to achieve that and our profit margin was high.

3:33 The South African economy is in a recession and thus one cannot ascrib..... (3240:3363) - D 3: Participant 3

The South African economy is in a recession and thus one cannot ascribe the drop in business to any particular circumstance

3:36 The other important is thing is that I have managed to maintain the re..... (3873:4045) - D 3: Participant 3

The other important thing is that I have managed to maintain the relationships amongst the family members and most of them do appreciate my roles and responsibilities.

3:37 Though this is done casually in our case (4251:4290) - D 3: Participant 3

Though this is done casually in our case

3:44 it's important to allocate shares to them because I do not expect them..... (4998:5114) - D 3: Participant 3

it's important to allocate shares to them because I do not expect them to be all managers things do not work like that

3:46 Children differs therefore, one must be mindful of the type of family..... (5359:5471) - D 3: Participant 3

Children differs therefore, one must be mindful of the type of family person or child taking over the business.

3:49 The successor always be innovative and be able to adapt to the changin..... (6001:6086) - D 3: Participant 3

The successor always be innovative and be able to adapt to the changing environment.

3:50 If possible all those must be documented. (6087:6128) - D 3: Participant 3

If possible all those must be documented.

3:51 I would advise other family business that to train successor and deleg..... (6284:6407) - D 3: Participant 3

I would advise other family business that to train successor and delegate jobs in different departments as early as possible

3:52 delegate jobs in different departments as early as possible (6349:6408) - D 3: Participant 3

delegate jobs in different departments as early as possible

3:54 If one choses a suitable successor, definitely that successor will com..... (6672:6801) - D 3: Participant 3

If one chooses a suitable successor, definitely that successor will come with new ideas that will boost the profit of your company.

3:55 So choose a hard worker who will sustain the business. (6803:6858)  
- D 3: Participant 3

So choose a hard worker who will sustain the business.

3:56 my advice is that transition of leadership should start while the leader..... (5759:5874) - D 3: Participant 3

my advice is that transition of leadership should start while the leader is still actively involved in the business

3:57 the children might not have an interest in the business (4548:4604) -  
D 3: Participant 3

the children might not have an interest in the business

3:58 The other factor is that children may start fighting amongst themselves..... (4873:4985) - D 3: Participant 3

The other factor is that children may start fighting amongst themselves for positions within the family business,

3:59 the bad characters of some family members may affect how leadership is..... (4796:4870) - D 3: Participant 3

the bad characters of some family members may affect how leadership is done

3:60 there are always conflicts in the families. (4292:4335) - D 3:  
Participant 3

there are always conflicts in the families.

3:61 Some family members may not be in favour of the new successor. (4337:4397) - D 3: Participant 3

Some family members may not be in favour of the new successor.

3:62 the reality is those problems will always exist. (4494:4542) - D 3:  
Participant 3

the reality is those problems will always exist.

3:63 we sit down and I always emphasise the reason why I have chosen the el..... (5229:5356) - D 3: Participant 3

we sit down and I always emphasise the reason why I have chosen the elder brother to take over the business and they have agreed

3:64 the family members should know who the successor will be and the reason..... (5878:6000) - D 3: Participant 3

the family members should know who the successor will be and the reason why he or she was chosen should be clearly stated.

3:65 communicate the possible successor to the family. (6420:6469) - D 3: Participant 3

communicate the possible successor to the family.

3:66 t ensures the longevity of the business and tradition which translates..... (304:509) - D 3: Participant 3

t ensures the longevity of the business and tradition which translates to secure employment for the employees both family members and non-family members. It's also a source of income for the family members

3:67 It's also a source of income for the family members (457:509) - D 3: Participant 3

It's also a source of income for the family members

3:68 We would like to keep the business going, and keep the family going and..... (3577:3711) - D3: Participant 3

We would like to keep the business going, and keep the family going and also continue playing a role in employment and entrepreneurship

3:69 It has given me the opportunity to explore other business avenues and..... (3713:3871) - D 3: Participant 3

It has given me the opportunity to explore other business avenues and through this, my sales revenues has improved and I am able to realise reasonable profit.

3:70 I think I have worked hard that's why it's in existence today (2731:2792) - D 3: Participant 3

I think I have worked hard that's why it's in existence today

3:71 I would say hard work has bought as this far (3193:3237) - D 3: Participant 3



I would say hard work has bought as this far

3:72 choose a hard worker who will sustain the business. (6805:6858) - D 3: Participant 3

choose a hard worker who will sustain the business.

4:1 a family that is running the business finds a way or come up with stra..... (160:317) - D 4: Participant 4

a family that is running the business finds a way or come up with strategies and plans on how the business could be passed on from one generation to the other

4:2 and identifying such factors that can be of importance in having to pa..... (319:500) - D 4: Participant 4

and identifying such factors that can be of importance in having to pass on that business because also when you look into how people can run that particular business in years to come

4:3 there are certain things that will have to change in a particular kind..... (524:615) - D 4: Participant 4

there are certain things that will have to change in a particular kind of business as well.

4:4 Cultural elements do play a factor (723:756) - D 4: Participant 4

Cultural elements do play a factor

4:5 we look into issues of interest if there's someone who has got an inte..... (929:1002) - D 4: Participant 4

we look into issues of interest if there's someone who has got an interest

4:6 look into avenues and how they can grow that (1072:1116) - D 4: Participant 4

look into avenues and how they can grow that

4:8 We had two cases where my young sister came in (1259:1305) - D 4: Participant 4

We had two cases where my young sister came in

4:9 The moment that she got employed she passed on that to myself and then..... (1433:1524) - D 4: Participant 4

The moment that she got employed she passed on that to myself and then I did manage to work

4:10 The key thing is support from everyone, (1934:1972) - D 4: Participant 4

The key thing is support from everyone,

4:11 to say she might have that particular interest but support in the sens..... (1973:2141) - D 4: Participant 4

to say she might have that particular interest but support in the sense that if there's someone for instance in the family that has the knowhow on financial management,

4:12 So we had a young brother of mine that is gotten that who also came in..... (2377:2490) - D 4: Participant 4

So we had a young brother of mine that is gotten that who also came in to assist in terms of financial management.

4:13 So it's all about setting systems that could also allow the next perso..... (2492:2589) - D 4: Participant 4

So it's all about setting systems that could also allow the next person to run the things properly

4:14 Financial management (2591:2612) - D 4: Participant 4

Financial management

4:15 emotional support is very crucial as wel (2622:2661) - D 4: Participant 4

emotional support is very crucial as wel

4:16 the income though comparing it to the time when our father was running..... (2976:3217) - D 4: Participant 4

the income though comparing it to the time when our father was running it, it showed some bit of change because at the time that my father was running things, he had his own way of running the farm, but when she took over she had her own way.

4:17 For instance, the number of casual labourers started to come during th..... (3219:3430) - D 4: Participant 4

For instance, the number of casual labourers started to come during the avocado picking up period. She would have less labourers than what my father would have and that would mean that she will yield more profit.

4:18 She would also have a system where she delivers more than what my fath..... (3432:3569) - D 4: Participant 4

She would also have a system where she delivers more than what my father was delivering in terms of how the products were packaged as well

4:19 it was a different mechanism that she implemented which eliminated a l..... (4650:4774) - D 4: Participant 4

it was a different mechanism that she implemented which eliminated a lot of red tapes as well that was what made the success

4:20 The mechanism of changing the tool, the 3 kg box as well as the 20kg b..... (4957:5109) - D 4: Participant 4

The mechanism of changing the tool, the 3 kg box as well as the 20kg bag. So that on its own bought the profit margin higher than what it was at the time

4:21 Cultural elements, (5376:5393) - D 4: Participant 4

Cultural elements,

4:22 the eldest son has to be the successor of everything, (5461:5514) - D 4: Participant 4

the eldest son has to be the successor of everything,

4:23 so the challenge there is identifying the correct person, (5642:5699) - D 4: Participant 4

so the challenge there is identifying the correct person,

4:24 You have to identify between someone with interest (5723:5772) - D 4: Participant 4

You have to identify between someone with interest

4:25 So if the interest outweighs the birth right, the person with the inte..... (5869:5977) - D 4: Participant 4

So if the interest outweighs the birth right, the person with the interest should be provided the opportunity

4:26 So if the interest outweighs the birth right, the person with the interest..... (5869:5978) - D 4: Participant 4

So if the interest outweighs the birth right, the person with the interest should be provided the opportunity

4:27 also shown from a young age to say that ok, this person has got an interest..... (5996:6072) - D 4: Participant 4

also shown from a young age to say that ok, this person has got an interest.

4:28 the first son is always the one who takes over kingdom ship, (6509:6568) - D 4: Participant 4

the first son is always the one who takes over kingdom ship,

4:29 For starters interest. That's the key thing. Interest is the key thing..... (7054:7124) - D 4: Participant 4

For starters interest. That's the key thing. Interest is the key thing.

4:30 If a person has got an interest in, let say you are running an avocado..... (7196:7274) - D 4: Participant 4

If a person has got an interest in, let say you are running an avocado farming

4:31 somebody has an interest in financial staff, rather push them towards..... (7279:7528) - D 4: Participant 4

somebody has an interest in financial staff, rather push them towards that and find a way on how they can help within the family business again, and pick someone who has got that interest in running the family, because interest is a very key thing. T

4:32 I would say also that, from a young age in the family, you can easily..... (7542:7684) - D 4: Participant 4

I would say also that, from a young age in the family, you can easily pick up what one wants and what other doesn't. Look into those elements.

4:34 so the key thing is also to teach the people who will be the successor..... (7810:7880) - D 4: Participant 4

so the key thing is also to teach the people who will be the successors

4:35 It all need to start at home before any other thing (8034:8085) - D 4: Participant 4

It all need to start at home before any other thing

4:37 Business differs, you can be a business man investing in different this..... (8436:8564) - D 4: Participant 4

Business differs, you can be a business man investing in different things without a particular qualification in all those things.

4:38 And then you can find someone who has got a particular qualification,..... (8565:9092) - D 4: Participant 4

And then you can find someone who has got a particular qualification, let's say an agricultural qualification in this case, if that particular person is not there in the family, but if there is interest in that particular nature of the business, automatically, the person might be can channel themselves not through the succession planning, but they can channel themselves to say ok, this is what I am interested in, it means I might as well get a qualification in this, so that I should know better on how to run this business

4:39 And then you can find someone who has got a particular qualification,..... (8566:8742) - D 4: Participant 4

And then you can find someone who has got a particular qualification, let's say an agricultural qualification in this case, if that particular person is not there in the family,

4:40 All the children, they are in the business, you will find a daughter w..... (9300:9515) - D 4: Participant 4

All the children, they are in the business, you will find a daughter who is there as a marketing.manager. She's a marketing manager, she went into school for marketing and she came and worked in the family business.

4:43 We have got different approaches, one because of the educational facto..... (10184:10289) - D 4: Participant 4

We have got different approaches, one because of the educational factor that were taking about earlier on.

4:44 he education factor brings a different into running the whole particul..... (10292:10482) - D 4: Participant 4

he education factor brings a different into running the whole particular business, while you will find our fathers didn't have that education but they knew how to run that particular business

4:45 they would know ok that this is the harvesting season, this is what ev..... (10489:10629) - D 4: Participant 4

they would know ok that this is the harvesting season, this is what ever time of the year to do whatever thing you have to do in the farming

4:46 someone who has got an agriculture qualification for instance, would k..... (10636:10759) - D 4: Participant 4

someone who has got an agriculture qualification for instance, would know the deeper part of it because of what the learning

4:47 You now take the theory, you put it together with the practical elemen..... (10762:10840) - D 4: Participant 4

You now take the theory, you put it together with the practical element of it.

4:48 Gender shouldn't matter (why?) Gender in history, gender is always bee..... (10980:11126) - D 4: Participant 4

Gender shouldn't matter (why?) Gender in history, gender is always been the element that stops female for instance from entering into certain thing

4:49 But you will find they have got better ideas than us as the men for in..... (11129:11205) - D 4: Participant 4

But you will find they have got better ideas than us as the men for instance

4:50 So gender shouldn't be a factor that comes into play because at the sa..... (11207:11389) - D 4: Participant 4

So gender shouldn't be a factor that comes into play because at the same time, we live in a democratic country where we try to look into affirmative action and how that should play.

4:51 So if we are to practice affirmative action in a democratic country, w..... (11390:11541) - D 4: Participant 4

So if we are to practice affirmative action in a democratic country, we also start from the family to say ok how do we practice this, how do we do this.

4:56 we should also find a way to fit succession planning and family busine..... (12838:12931) - D 4: Participant 4

we should also find a way to fit succession planning and family businesses into our curriculum

4:57 The business owners should also be empowered on how to write formal su..... (13133:13227) - D 4: Participant 4

The business owners should also be empowered on how to write formal succession planning plans.

4:58 Government has done and we appreciate but where they do not do much is..... (11777:11886) - D 4: Participant 4

Government has done and we appreciate but where they do not do much is where family businesses are concerned.

4:59 government should now assist, they should re invest, find the mechanis..... (12284:12517) - D 4: Participant 4

government should now assist, they should re invest, find the mechanism to say we should go back and re invest to this, the same way that they are doing with the OBE issues, they should find a way to sort of like assisting us as well

4:60 from the educational side of things, we need to invest in that, to say..... (12728:12932) - D 4: Participant 4

from the educational side of things, we need to invest in that, to say, from our schools, in our curriculum, we should also find a way to fit succession planning and family businesses into our curriculum.

4:61 Age does not necessarily mean much (9750:9784) - D 4: Participant 4

Age does not necessarily mean much

4:62 age would not mean much, what would mean would be, how the two can fin..... (9955:10182) - D 4: Participant 4

age would not mean much, what would mean would be, how the two can find common ground to work together, because when we look at things now, things that our fathers did, and what we are doing now, those are two different things.

4:63 Also look into an issue of, mostly within the African culture we do no..... (7685:7807) - D 4: Participant 4

Also look into an issue of, mostly within the African culture we do not want to tap much into the financial side of things

4:64 this is the business, this is the money that the business is doing, th..... (7930:8032) - D 4: Participant 4

this is the business, this is the money that the business is doing, this is what you do with the money

5:1 Leadership succession planning is whereby you appoint somebody to run..... (147:312) - D 5: Participant 5

Leadership succession planning is whereby you appoint somebody to run the business after you leave the business or after you retire or after you are unable to run it.

5:4 Leadership in our family business is done by incapacitating the person..... (738:858) - D 5: Participant 5

Leadership in our family business is done by incapacitating the person with all the necessary skills to run the business.

5:5 The person must always have interest in the business and be someone co..... (860:981) - D 5: Participant 5

The person must always have interest in the business and be someone coming up with new ideas on how to grow the business.

5:7 If you have a business succession plan that means you have to plan for..... (1252:1331) - D 5: Participant 5

If you have a business succession plan that means you have to plan for tomorrow.

5:8 That means you have long-term plans for the business. (1332:1385) - D 5: Participant 5

That means you have long-term plans for the business.

5:9 if we have a business succession plan, we can actually have plans to o..... (1635:1757) - D 5: Participant 5

if we have a business succession plan, we can actually have plans to own a business premise and have permanent employees.

5:10 I think if you have a business succession plan, the profit of the busi..... (1925:2137) - D 5: Participant 5

I think if you have a business succession plan, the profit of the business will improve even the life span of the business will improve because we will be looking for further goals instead of focusing on one goal



5:11 We will be focusing towards expanding the business and growing it so..... (2140:2241) - D 5: Participant 5

We will be focusing towards expanding the business and growing it so that it can benefit many people

5:12 I will choose based on the interest, (2477:2513) - D 5: Participant 5

I will choose based on the interest,

5:13 I will groom to run the business (2569:2601) - D 5: Participant 5

I will groom to run the business

5:14 this one is getting interest in the business, this one is losing inter..... (2683:2805) - D 5: Participant 5

this one is getting interest in the business, this one is losing interest, this one is having plans to improve the business

5:15 that how you groom based on the humans of the people and how they beha..... (2807:2915) - D 5: Participant 5

that how you groom based on the humans of the people and how they behave and how they react to the business.

5:16 people are scared that if they choose a successor once they are still..... (3172:3294) - D 5: Participant 5

people are scared that if they choose a successor once they are still arrive they must have a problem like power struggles.

5:17 in our African tradition, most people are afraid to point that this pe..... (3298:3465) - D 5: Participant 5

in our African tradition, most people are afraid to point that this person will take over, people might start fighting about why you chose that successor instead of me

5:19 Rather they will just write a will (3572:3606) - D 5: Participant 5

Rather they will just write a will

5:20 instead of uniting the family, it actually makes people start fighting..... (3708:3799) - D 5: Participant 5

instead of uniting the family, it actually makes people start fighting about the businesses.

5:21 to educate those ones who need to run the business after the owner is..... (4192:4338) - D 5: Participant 5

to educate those ones who need to run the business after the owner is not there, so that they understand the importance of appointing a successor,

5:22 they will understand why there is somebody that is trained to run the..... (4347:4449) - D 5: Participant 5

they will understand why there is somebody that is trained to run the business after the owner is gone,

5:25 I can understand based on the shares that if we are six, we all have e..... (4747:4887) - D 5: Participant 5

I can understand based on the shares that if we are six, we all have equal shares but this is the one that is in charge, he is the successor.

5:26 we are six, (4791:4803) - D 5: Participant 5

we are six,

5:27 we always think whoever is put in charge of the business is the one th..... (4634:4745) - D 5: Participant 5

we always think whoever is put in charge of the business is the one that owns the business than the other ones.

5:28 We have never drafted a succession plan yet but it was informally made..... (1053:1177) - D 5: Participant 5

We have never drafted a succession plan yet but it was informally made by my late parents before I took over the leadership.

5:29 It's a problem according to our African culture to choose a successor..... (3467:3570) - D 5: Participant 5

It's a problem according to our African culture to choose a successor. So most people they don't do it.

5:30 It's important so that the business keeps operating even if after the..... (419:653) - D 5: Participant 5

It's important so that the business keeps operating even if after the owner is gone or is no more on the business. Another reason is that the business can continue to support all those that are employed and benefiting from the business

6:1 I am very much in position that in case she retires, I have a mind set..... (271:440) - D 6: Participant 6

I am very much in position that in case she retires, I have a mind set in business of planning the stuff in order to develop the way she would have wanted in the future.

6:3 That's my own understanding about leadership succession planning that..... (524:663) - D 6: Participant 6

That's my own understanding about leadership succession planning that she trust me that I can be able to run the business when she retires.

6:5 we are four boys and the last one is ten years. (1001:1048) - D 6: Participant 6

we are four boys and the last one is ten years.

6:6 I have to train the last one so that when I step down or when somethin..... (1060:1182) - D 6: Participant 6

I have to train the last one so that when I step down or when something happens to me, he can continue running the business

6:7 a lot of understanding, communication and trust issues, trust is the m..... (1240:1371) - D 6: Participant 6

a lot of understanding, communication and trust issues, trust is the most important thing and it's lacking in most family businesses

6:8 through Mother and son trust. (1528:1556) - D 6: Participant 6

through Mother and son trust.

6:10 to connect me with her employees so that I can also learn from them an..... (1701:1847) - D 6: Participant 6

to connect me with her employees so that I can also learn from them and gain experience on how the day-to-day operations in the business are done

6:14 We had it today because of the fact that my mom actually lost the gran..... (2545:2663) - D 6: Participant 6

We had it today because of the fact that my mom actually lost the grandfather, meaning that I lost my great grandfather

6:18 The fact that we are from a very poor family, which is actually the one..... (3143:3310) - D 6: Participant 6

The fact that we are from a very poor family, which is actually the one which everybody look up to, and they always expect her to financially support the whole family.

6:20 She personally does not regard herself as the boss, she regards herself..... (3639:3862) - D 6: Participant 6

She personally does not regard herself as the boss, she regards herself as a mother towards her employees, so that what actually make her be kind of a leader because she does things that her employees could have done as well

6:23 Understanding and communication and persistence. (4154:4201) - D 6: Participant 6

Understanding and communication and persistence.

6:24 you will get the guest that are not understanding and can push you to..... (4212:4419) - D 6: Participant 6

you will get the guest that are not understanding and can push you to the limit and do something that will trigger some violet, so you just have to be cool and understand them even they push you to the limits

6:25 You have to be tolerance and understanding. (4422:4465) - D 6: Participant 6

You have to be tolerance and understanding.

6:26 understanding and trust. (4612:4635) - D 6: Participant 6

understanding and trust.

6:27 there is more positive energy than bringing someone from outside (4680:4744) - D 6: Participant 6

there is more positive energy than bringing someone from outside

6:28 the business will improve its performance because there is positive en..... (4749:4825) - D 6: Participant 6

the business will improve its performance because there is positive energy

6:29 The duration of that specific person into the business matters a lot,..... (4942:5042) - D 6: Participant 6

The duration of that specific person into the business matters a lot, because experience counts a lot

6:30 I have been in this business for almost ten years (5091:5140) - D 6: Participant 6

I have been in this business for almost ten years

6:31 I believe that I am knowledgeable on how to run this business and ten..... (5145:5267) - D 6: Participant 6

I believe that I am knowledgeable on how to run this business and ten years from now I will be able to expand this business

6:33 a member of the family is in the process of taking over the business, (5594:5662) - D 6: Participant 6

a member of the family is in the process of taking over the business,

6:34 I am busy doing my pursuing my masters (5678:5716) - D 6: Participant 6

I am busy doing my pursuing my masters

6:35 Focusing on education and focusing on business. (5754:5802) - D 6: Participant 6

Focusing on education and focusing on business.

6:38 My priority lies into the business because of the experience I have in..... (6456:6590) - D 6: Participant 6

My priority lies into the business because of the experience I have in running this business but having a PhD will of interest to me.

6:41 involve kids into the businesses regardless of the sex of the child. (7451:7519) - D 6: Participant 6

involve kids into the businesses regardless of the sex of the child.

6:42 one or two children should actually be involved in the business becaus..... (7542:7613) - D 6: Participant 6

one or two children should actually be involved in the business because

6:44 to share the experience with in this case my mom about her business ex..... (7961:8146) - D 6: Participant 6

to share the experience with in this case my mom about her business experience because she has being running the business for quite some time and through that she has various experience

6:45 it is important to share the vison of the business and at least plan t..... (8160:8300) - D 6: Participant 6

it is important to share the vison of the business and at least plan the future of the business every three month because anything can happen

6:46 train the possible successor or groom them about the business so that..... (8561:8650) - D 6: Participant 6

train the possible successor or groom them about the business so that they develop passion

6:47 attend business workshop and just maybe short courses in businesses so..... (8687:8813) - D 6: Participant 6

attend business workshop and just maybe short courses in businesses so that they are well equipped with the business knowledge.

6:48 Even in my case, my mother made sure that I attend a lot of business w..... (8814:9020) - D 6: Participant 6

Even in my case, my mother made sure that I attend a lot of business workshop while she was grooming me into the business and through that, I developed the passion and confidence on how to run this business

6:49 8 (9176:9179) - D 6: Participant 6

8

6:51 Master's in Computer Sciences (9307:9336) - D 6: Participant 6

Master's in Computer Sciences

6:52 So somehow I feel she has already build within me how business should..... (441:520) - D 6: Participant 6

So somehow I feel she has already build within me how business should be operate

6:53 the children are involved in manual work so that we can understand fro..... (2032:2177) - D 6: Participant 6

the children are involved in manual work so that we can understand from bottom work up to the top including connecting Us to the external partners

6:54 The younger ones starts from cleaning such as spreading the beds, swee..... (2180:2342) - D 6: Participant 6

The younger ones starts from cleaning such as spreading the beds, sweeping so that they know the basics of the business since we are running a hospitality business

6:55 So she was just telling me that I have to be prepared to run this busi..... (2994:3068) - D 6: Participant 6

So she was just telling me that I have to be prepared to run this business

6:56 employees that do not want to accept me as the one taking over the bus..... (5978:6053) - D 6: Participant 6

employees that do not want to accept me as the one taking over the business.

6:57 they even refuse to take instructions from me because they feel that I..... (6064:6168) - D 6: Participant 6

they even refuse to take instructions from me because they feel that I am not one of the top management,

6:58 the business has nowhere to go because the children are not well prepa..... (807:919) - D 6: Participant 6

the business has nowhere to go because the children are not well prepared or trained into the business and stuff.

6:59 know what our vision are in terms of our business. (6948:6998) - D 6: Participant 6

know what our vision are in terms of our business.

6:60 A customer would come to me and say that you know what, I do not want..... (7155:7269) - D 6: Participant 6

A customer would come to me and say that you know what, I do not want to talk to you, I want to talk to your mom.

6:61 Some parents do not want to involve their children in business which i..... (7736:7817) - D 6: Participant 6

Some parents do not want to involve their children in business which is not good.

6:62 She does the basic work and she also gets her children involved in som..... (3932:4022) - D 6: Participant 6

She does the basic work and she also gets her children involved in some confidential issues

7:1 It means thinking about who takes over the business (146:197) - D 7: Participant 7

It means thinking about who takes over the business

7:2 it all about choosing a family member who will be capable of managing..... (217:410) - D 7: Participant 7

it all about choosing a family member who will be capable of managing the day-to-day operations of the business when I retire or die and making sure that the business is generating more income.

7:3 If you chose a family member who is not hard working, definitely the b..... (411:497) - D 7: Participant 7

If you chose a family member who is not hard working, definitely the business will fell

7:4 a family member to be chosen as a successor, the characteristics of be..... (514:650) - D 7: Participant 7

a family member to be chosen as a successor, the characteristics of being a hard worker and honest must reflect in that person I think.

7:5 I could imagine how our life would have been if my late parents did no..... (813:935) - D 7: Participant 7

I could imagine how our life would have been if my late parents did not leave something that we can depend on as a living.

7:13 I could say definitely my late parents chose me to succeed because the..... (1871:2023) - D 7: Participant 7

I could say definitely my late parents chose me to succeed because they so that I was very much interested in the day-to-day operations of the business.

7:14 I was exposed to the business at a tender age (2024:2069) - D 7: Participant 7

I was exposed to the business at a tender age



7:15 So my parents would ask me to do a little bit of work like maybe picki..... (2072:2279) - D 7: Participant 7

So my parents would ask me to do a little bit of work like maybe picking up papers or say just cleaning and later when I went to high school that's when I was introduced to counting of stocks over the weekend

7:16 I learnt everything through participation and observation (2292:2350) - D 7: Participant 7

I learnt everything through participation and observation

7:17 most of the things I leant them from my parents (2472:2518) - D 7: Participant 7

most of the things I leant them from my parents

7:18 My interest and passion for managing the business at the higher level..... (2558:2678) - D 7: Participant 7

My interest and passion for managing the business at the higher level was what made them to choose me as their successor.

7:19 I am also proud to say that as a woman I made sure that my siblings we..... (2680:2773) - D 7: Participant 7

I am also proud to say that as a woman I made sure that my siblings were not lacking anything.

7:20 It can be hard at times but what matters is always working hard and su..... (2775:2863) - D 7: Participant 7

It can be hard at times but what matters is always working hard and sustain the business.

7:21 I will also choose my successor based on his or capabilities and inter..... (2871:2989) - D 7: Participant 7

I will also choose my successor based on his or capabilities and interest towards moving this family business forward.

7:22 I will also groom him or her. (2991:3021) - D 7: Participant 7

I will also groom him or her.

7:23 I have not thought about it yet but my parents chose me as a successor..... (3102:3255) - D 7: Participant 7

I have not thought about it yet but my parents chose me as a successor maybe that would have being the last time that succession was done in this family.

7:24 I am thinking of having one this year because I have one family member..... (3381:3527) - D 7: Participant 7

I am thinking of having one this year because I have one family member in mind who has really shown interest in making the business move forward.

7:25 this business must not stop but continue operating and take care of my..... (3701:3812) - D 7: Participant 7

this business must not stop but continue operating and take care of my grandchildren and their children as well.

7:26 this can only be achieved if the successors will continue to be hard w..... (3816:3904) - D 7: Participant 7

this can only be achieved if the successors will continue to be hard working and honesty

7:27 I will sit down with the family members and tell them that, I have dec..... (4178:4285) - D 7: Participant 7

I will sit down with the family members and tell them that, I have decided to choose someone to succeed me

7:28 based on his or her talent and interest towards the business (4286:4345) - D 7: Participant 7

based on his or her talent and interest towards the business

7:29 There are family members who are irresponsible in this family as well..... (4413:4547) - D 7: Participant 7

There are family members who are irresponsible in this family as well so I have to be very careful and choose a responsible successor.

7:31 My parents raised me and they definitely knew my weaknesses and abilit..... (4965:5091) - D 7: Participant 7

My parents raised me and they definitely knew my weaknesses and abilities hence they trusted me with this huge responsibility.

7:32 I work very hard and believe me the first year that I took over the bu..... (5161:5331) - D 7: Participant 7

I work very hard and believe me the first year that I took over the business, the sales turn over were high and we generated more profit than what my parents used to have.

7:33 I would say working very hard and having an interest in this business..... (5342:5452) - D 7: Participant 7

I would say working very hard and having an interest in this business has really made it to where it is today.

7:34 will also say working with hard working employees has helped a lot in..... (5455:5543) - D 7: Participant 7

will also say working with hard working employees has helped a lot in reaching this far.

7:35 if you want your business to exist for generations come up with a succ..... (5761:5842) - D 7: Participant 7

if you want your business to exist for generations come up with a succession plan

7:36 Performance of the business should continue. (5939:5982) - D 7: Participant 7

Performance of the business should continue.

7:37 It is smooth. What make a business to carry on is the performance of t..... (6024:6104) - D 7: Participant 7

It is smooth. What make a business to carry on is the performance of the leader,

7:38 Ever since I took over this business from my late parents which is 15..... (6280:6450) - D 7: Participant 7

Ever since I took over this business from my late parents which is 15 years ago this business would have closed down if I was not putting in much effort to keep it going.

7:39 As a family member I would say succession planning brings about more b..... (6667:6877) - D 7: Participant 7

As a family member I would say succession planning brings about more benefits than challenges because the successor in most cases will work harder to sustain the business and generate more income for the family.

7:40 I also would not want the business to die so for me to make sure that..... (6909:7062) - D 7: Participant 7

I also would not want the business to die so for me to make sure that the business continues, I will choose a successor who will make it more sustainable.

7:41 my efforts has made the business where it is today which results from..... (7090:7220) - D 7: Participant 7

my efforts has made the business where it is today which results from the choice my late parents made, of course to be a successor

7:45 You have to make tough decisions most of the time all else if one fami..... (7984:8179) - D 7: Participant 7

You have to make tough decisions most of the time all else if one family member finds a loop hole to be getting money out of the business for pressure then your business will be doomed to failure

7:46 I am a leader who regards business to be business. (8258:8308) - D 7: Participant 7

I am a leader who regards business to be business.

7:47 it's important as a successor to draw the line between business and fa..... (8313:8395) - D 7: Participant 7

it's important as a successor to draw the line between business and family matters.

7:48 I do not mix family matters with business that why I did not tolerate..... (8396:8509) - D 7: Participant 7

I do not mix family matters with business that why I did not tolerate the behaviour of one of my family member.

7:50 it is very important that there is unity in the family, not division. (9030:9099) - D 7: Participant 7

it is very important that there is unity in the family, not division.

7:51 Unity vision and hard work. (9100:9126) - D 7: Participant 7

Unity vision and hard work.

7:52 I would say the guide line should put emphasis on unit when choosing a..... (9374:9460) - D 7: Participant 7

I would say the guide line should put emphasis on unit when choosing a family successor

7:53 it should also emphasise on honesty, trustworthy, hardworking and abl..... (9466:9565) - D 7: Participant 7

it should also emphasise on honesty, trustworthy, hardworking and able be keep the business going.

7:55 I have a clue as which family member can run the business well and I a..... (9889:10041) - D 7: Participant 7

I have a clue as which family member can run the business well and I am grooming that person because that person is so enthusiastic about this business.

7:57 This can be done through family gatherings (10197:10238) - D 7: Participant 7

This can be done through family gatherings

7:61 Choose good and competent leaders for the future (10657:10704) - D 7: Participant 7

Choose good and competent leaders for the future

7:62 So be wise and choose the possible leaders while you are still alive b..... (10870:11035) - D 7: Participant 7

So be wise and choose the possible leaders while you are still alive because from experience you will know the person interested in sustaining the business further.

7:63 irresponsible family member. (1753:1782) - D 7: Participant 7

irresponsible family member.

7:64 The journey was not smooth as most of the family members thought that..... (4714:4840) - D 7: Participant 7

The journey was not smooth as most of the family members thought that as a woman the business was not going to be sustainable.

7:65 Dispute, disagreement, fights, many challenges can be faced (7428:7486) - D 7: Participant 7

Dispute, disagreement, fights, many challenges can be faced

7:66 For instance, I told you that in my case most of the members of the fa..... (7489:7702) - D 7: Participant 7

For instance, I told you that in my case most of the members of the family were against me because simply maybe because of their perception that I was a woman and could not have managed to run the family business.

7:67 I had also one family member who tends to be very unreasonable. If he..... (7727:7916) - D 7: Participant 7

I had also one family member who tends to be very unreasonable. If he wants money, sometimes he would use words such as after all this business was for my father's I also have shares in it,

7:68 not reaching an agreement on the chosen successor, families fighting f..... (8679:8930) - D 7: Participant 7

not reaching an agreement on the chosen successor, families fighting for positions though they do not have any clue on how to take the business forward and irresponsible family members who would want the money from the business to have fun all the time

7:69 families should be free to discuss about who their next successor will..... (10045:10194) - D 7: Participant 7

families should be free to discuss about who their next successor will be and try by all means to let them understand why you have chosen that person

7:70 make sure that unit prevails amongst all family members and this can o..... (10244:10352) - D 7: Participant 7

make sure that unit prevails amongst all family members and this can only be achieved through communication.

7:71 Through this business I we have managed to uplift the wellbeing of the..... (995:1244) - D 7: Participant 7

Through this business I we have managed to uplift the wellbeing of the family as well the employees who are not part of the family but who work for us. We are able to cater for our children education needs as well and the same applies to our workers.

7:72 It is very important because obviously being the owner of the business..... (1372:1566) - D 7: Participant 7

It is very important because obviously being the owner of the business and working with different family members, I could tell which one of them can sustain the business that's why it's important

7:73 I would say that to avoid problems in the future, leave the business i..... (9718:9856) - D 7: Participant 7

I would say that to avoid problems in the future, leave the business in new hands while you are still alive so that there are less problems

7:74 Family business let me say, must continue because they provide jobs fo..... (10556:10655) - D 7: Participant 7

Family business let me say, must continue because they provide jobs for the family and other people.

7:75 a family member to be chosen as a successor, the characteristics of be..... (515:650) - D 7: Participant 7

a family member to be chosen as a successor, the characteristics of being a hard worker and honest must reflect in that person I think.

7:76 I will also choose my successor based on his or capabilities and inter..... (2871:2988) - D 7: Participant 7

I will also choose my successor based on his or capabilities and interest towards moving this family business forward

7:77 this can only be achieved if the successors will continue to be hard w..... (3817:3904) - D 7: Participant 7

this can only be achieved if the successors will continue to be hard working and honesty

7:78 I work very hard (5160:5176) - D 7: Participant 7

I work very hard

7:79 I would say working very hard and having an interest in this business..... (5343:5453) - D 7: Participant 7

I would say working very hard and having an interest in this business has really made it to where it is today.

7:80 the successor in most cases will work harder to sustain the business a..... (6768:6876) - D 7: Participant 7

the successor in most cases will work harder to sustain the business and generate more income for the family

7:81 I will choose a successor who will make it more sustainable (7002:7061) - D 7: Participant 7

I will choose a successor who will make it more sustainable

7:82 Unity vision and hard work. (9100:9129) - D 7: Participant 7

Unity vision and hard work.

7:83 good leaders will always substance the business through their hard wor..... (10714:10785) - D 7: Participant 7

good leaders will always substance the business through their hard work

8:1 making a plan about who the next leader should be in future when you d..... (132:234) - D 8: Participant 8

making a plan about who the next leader should be in future when you die or resign from your business.

8:4 successor is well mannered and responsible as well as being able to gr..... (567:651) - D 8: Participant 8

successor is well mannered and responsible as well as being able to grow the company.

8:5 That's why it's even important to choose a successor while I am is sti..... (653:821) - D 8: Participant 8

That's why it's even important to choose a successor while I am is still alive because I now know the family member who is very capable of taking this business further.

8:6 My father used to take us to his business and he could give us some di..... (964:1100) - D 8: Participant 8

My father used to take us to his business and he could give us some different task to perform (I mean our first born brother and myself).

8:8 We were exposed to the business at a tender age say maybe 10 years (1102:1167) - D 8: Participant 8



We were exposed to the business at a tender age say maybe 10 years

8:9 I just developed the interest from the day they introduced me to the b..... (1170:1342) - D 8: Participant 8

I just developed the interest from the day they introduced me to the business such that when I went to high school, I had to work for my father's company whenever we closed.

8:11 For me even the career I chose was more related to my late fathers bus..... (1535:1609) - D 8: Participant 8

For me even the career I chose was more related to my late fathers business

8:12 I have a diploma in mechanical engineering (1612:1653) - D 8: Participant 8

I have a diploma in mechanical engineering

8:14 With the skills that I gained from the university and the passion that..... (1773:1934) - D 8: Participant 8

With the skills that I gained from the university and the passion that I exposed towards the business, my parents had no means but to choose me as their successor

8:16 My late parents empowered me with all the necessary skills of running..... (2004:2087) - D 8: Participant 8

My late parents empowered me with all the necessary skills of running the business.

8:17 There was no written succession plan in place (2088:2132) - D 8: Participant 8

There was no written succession plan in place

8:18 I was groomed to take over and all the members of the family were comf..... (2137:2227) - D 8: Participant 8

I was groomed to take over and all the members of the family were comfortable with that.

8:19 I took over this business 9 years ago (2331:2368) - D 8: Participant 8

I took over this business 9 years ago

8:22 so that the business continue been a source of income for my family an..... (2785:2878) - D 8: Participant 8

so that the business continue been a source of income for my family and the employees as well.

8:23 I have even started grooming one of family my family member who has sh..... (2905:3052) - D 8: Participant 8

I have even started grooming one of family my family member who has shown interest in the business and has fresh ideas to move the business forward.

8:25 We look at the most interested person in the family (3316:3366) - D 8: Participant 8

We look at the most interested person in the family

8:26 the skills that a person has and the new ideas he/she brings to the bu..... (3369:3474) - D 8: Participant 8

the skills that a person has and the new ideas he/she brings to the business in order to move it forward.

8:27 tertiary qualifications relevant to the type of this business. (3528:3590) - D 8: Participant 8

tertiary qualifications relevant to the type of this business.

8:29 you just continue grooming the person till the time you exit the busin..... (3760:3834) - D 8: Participant 8

you just continue grooming the person till the time you exit the business.

8:30 I made sure that the business expanded from where it was when I took o..... (3993:4065) - D 8: Participant 8

I made sure that the business expanded from where it was when I took over

8:31 I have been running it for nine years which makes me proud as well (4067:4133) - D 8: Participant 8

I have been running it for nine years which makes me proud as well

8:33 I was intrinsically motivated so I worked very hard to make sure that..... (4434:4526) - D 8: Participant 8

I was intrinsically motivated so I worked very hard to make sure that the business succeeded.

8:34 I worked very hard with my team (Employees and family members) to put..... (4668:4811) - D 8: Participant 8

I worked very hard with my team (Employees and family members) to put the business where it is today and we are still aiming to grow it further

8:35 once the successor works very hard towards the business goals then you..... (4874:4996) - D 8: Participant 8

once the successor works very hard towards the business goals then you are assured that the business will be sustainable.

8:36 the family business will survive for a long time when leadership trans..... (5134:5225) - D 8: Participant 8

the family business will survive for a long time when leadership transition is done properly

8:37 If you choose a business leader with a lot of passion and relevant ski..... (5227:5351) - D 8: Participant 8

If you choose a business leader with a lot of passion and relevant skills then that person will expand the business further.

8:38 a lot of passion and relevant skills then that person will expand the..... (5264:5350) - D 8: Participant 8

a lot of passion and relevant skills then that person will expand the business further

8:39 I have no experience in developing the leadership succession planning..... (5623:5725) - D 8: Participant 8

I have no experience in developing the leadership succession planning hence I talk about it informally.

8:40 The challenges comes in when you have not communicated your successor..... (5727:5817) - D 8: Participant 8

The challenges comes in when you have not communicated your successor to the family members

8:42 It's can only be good when the family members participate in identifyi..... (5868:6005) - D 8: Participant 8

It's can only be good when the family members participate in identifying the leader and then we all agree on who takes over the business.

8:43 It's can only be good when the family members participate in identifyi..... (5869:6006) - D 8: Participant 8

It's can only be good when the family members participate in identifying the leader and then we all agree on who takes over the business.

8:44 When I took over the business everyone in the family knew hence it was..... (6007:6093) - D 8: Participant 8

When I took over the business everyone in the family knew hence it was not a problem.

8:45 four, (6219:6224) - D 8: Participant 8

four,

8:46 if my late parents choose a successor who is not trained in enough in..... (6266:6464) - D 8: Participant 8

if my late parents choose a successor who is not trained in enough in this business area it could have been a very big challenge because I was going to depend on the workers knowledge for everything.

8:47 Other challenges includes choosing an irresponsible leader (6466:6523) - D 8: Participant 8

Other challenges includes choosing an irresponsible leader

8:48 Someone who like clubbing, those are problems (6525:6570) - D 8: Participant 8

Someone who like clubbing, those are problems

8:49 Also when the family is not united and are not honesty with each other..... (6572:6643) - D 8: Participant 8

Also when the family is not united and are not honesty with each other.

8:51 It should be formal and documented (6780:6815) - D 8: Participant 8

It should be formal and documented

8:53 the family members should actively participate in choosing the new lea..... (7107:7179) - D 8: Participant 8

the family members should actively participate in choosing the new leader

8:54 that person must have necessary skills, (7190:7228) - D 8: Participant 8

that person must have necessary skills,

8:55 interest in the business and hard working (7229:7270) - D 8: Participant 8

interest in the business and hard working

8:56 They should choose a successor based on his/her interest in the compan..... (7539:7610) - D 8: Participant 8

They should choose a successor based on his/her interest in the company,

8:57 Depending on the business tertiary education in that specific field mu..... (7612:7699) - D 8: Participant 8

Depending on the business tertiary education in that specific field must be considered,

8:58 commutations skills and interpersonal skills are all relevant. (7700:7761) - D 8: Participant 8

commutations skills and interpersonal skills are all relevant.

8:59 A succession plan should be simple and clear (7763:7806) - D 8: Participant 8

A succession plan should be simple and clear

8:60 state who the successor will be and other roles of the family members (7812:7880) - D 8: Participant 8

state who the successor will be and other roles of the family members

8:61 It should be documented and signed by relevant family members (7899:7960) - D 8: Participant 8

It should be documented and signed by relevant family members

8:63 Observe that person by delegating most of your responsibility (8350:8411) - D 8: Participant 8

Observe that person by delegating most of your responsibility

8:64 my experience is that often a new successor will learn a lot from his/..... (4138:4302) - D 8: Participant 8

my experience is that often a new successor will learn a lot from his/her predecessor and he/she will come with new ideas on how to make the company more profitable

8:65 I continued working on my father's company during the university holiday..... (1698:1769) - D 8: Participant 8

I continued working on my father's company during the university holiday

8:66 It was a problem for my elder brother because he did not have interest (1343:1413) - D 8: Participant 8

It was a problem for my elder brother because he did not have interest

8:67 The informal way of choosing a leader can be problematic as well (6714:6777) - D 8: Participant 8

The informal way of choosing a leader can be problematic as well

8:68 when fights starts and issues of jealous (5827:5866) - D 8: Participant 8

when fights starts and issues of jealous

8:69 this was done casually to my siblings and other family members. (1940:2002) - D 8: Participant 8

this was done casually to my siblings and other family members.

8:70 Once a suitable family member is identified then you inform the rest of..... (3592:3701) - D 8: Participant 8

Once a suitable family member is identified then you inform the rest of the family members about it informally

8:71 I would not want this business to fail because of not choosing someone..... (3053:3141) - D 8: Participant 8

I would not want this business to fail because of not choosing someone to succeed me no.

8:72 It is important yes because the business must keep operating even if I..... (342:532) - D 8: Participant 8

It is important yes because the business must keep operating even if I die or retire so that the family can keep depending on it. This is our source of income so it should keep on operating.

8:73 they wanted the business to keep operating so that it continues being..... (2385:2516) - D 8: Participant 8

they wanted the business to keep operating so that it continues being the source of income for the family and the employees as well.

9:1 planning who is going to lead the business when one becomes terminally..... (124:219) - D 9: Participant 9

planning who is going to lead the business when one becomes terminally ill, retires or even dies

9:4 Leadership succession planning in our family was done informally. (747:811) - D 9: Participant 9

Leadership succession planning in our family was done informally.

9:5 We had several family dialogues where my late parents brought the issu..... (813:900) - D 9: Participant 9

We had several family dialogues where my late parents brought the issue of the successor

9:7 I know they knew that I was hard working and was not going to fail the..... (1013:1084) - D 9: Participant 9

I know they knew that I was hard working and was not going to fail them.

9:8 I would do anything that they will ask me to do and when they introduc..... (1108:1274) - D 9: Participant 9

I would do anything that they will ask me to do and when they introduced to their business, they exposed me to various task and I would go extra miles to perform them

9:9 I am a straight forward person and I am sure they considered that as w..... (1276:1351) - D 9: Participant 9

I am a straight forward person and I am sure they considered that as well.

9:10 It was last done when my parents were alive. (1421:1464) - D 9: Participant 9

It was last done when my parents were alive.

9:11 But I think about it all the time and I am busy observing the commitme..... (1466:1581) - D 9: Participant 9

But I think about it all the time and I am busy observing the commitments of my family members towards the business

9:12 Because if I do not do it what will happen? They will sell the business..... (1652:1750) - D 9: Participant 9

Because if I do not do it what will happen? They will sell the business and the family will lose it

9:13 The business has to survive since it's one of their livelihood (1753:1814) - D 9: Participant 9

The business has to survive since it's one of their livelihood

9:14 I will be motivated because it will be a livelihood for my family and..... (1837:1919) - D 9: Participant 9

I will be motivated because it will be a livelihood for my family and my workers.

9:15 It is based on performance, what the successor will be able to bring t..... (2029:2142) - D 9: Participant 9

It is based on performance, what the successor will be able to bring to the business that will make it sustainable

9:16 the character of the person including his or her level of interest (2145:2210) - D 9: Participant 9

the character of the person including his or her level of interest

9:17 I require excellent skills per se. (2213:2247) - D 9: Participant 9

I require excellent skills per se.

9:18 My experience is that it makes the business to continue operating at a..... (2327:2413) - D 9: Participant 9

My experience is that it makes the business to continue operating at a profit of course

9:19 If it has been operating at a loss I would have closed long time ago b..... (2415:2519) - D 9: Participant 9

If it has been operating at a loss I would have closed long time ago but through hard work I am managing



9:20 I will say it was affected in a very positive way because I managed to..... (2613:2786) - D 9: Participant 9

I will say it was affected in a very positive way because I managed to boost the sales turn over and generated high profit than my predecessor the very same year I took over.

9:21 if the new leader is accepted by the rest of the family, it all goes w..... (2916:3071) - D 9: Participant 9

if the new leader is accepted by the rest of the family, it all goes well and the business expands because of the new ideas that the successor comes with

9:22 I think choosing a leader with necessary skills can be a challenge. (3275:3341) - D 9: Participant 9

I think choosing a leader with necessary skills can be a challenge.

9:30 the successor must be thoroughly groomed by the owner of the business (4385:4453) - D 9: Participant 9

the successor must be thoroughly groomed by the owner of the business

9:31 The successor must be ethical and ready to take over the business. (4456:4522) - D 9: Participant 9

The successor must be ethical and ready to take over the business.

9:32 He/she must possess necessary skills. (4523:4560) - D 9: Participant 9

He/she must possess necessary skills.

9:33 all the requirements for the possible successor should be spelt out so..... (4733:4880) - D 9: Participant 9

all the requirements for the possible successor should be spelt out so that that he/she can be evaluated by the other family members based on that.

9:34 all the requirements for the possible successor should be spelt out so..... (4733:4879) - D 9: Participant 9

all the requirements for the possible successor should be spelt out so that that he/she can be evaluated by the other family members based on that.

9:35 the skills that are required, (4893:4921) - D 9: Participant 9

the skills that are required,

9:36 character of the person, (4927:4950) - D 9: Participant 9

character of the person,

9:37 education level (4952:4966) - D 9: Participant 9

education level

9:38 You must always have a written document stating who the successor is a..... (4982:5113) - D 9: Participant 9

You must always have a written document stating who the successor is and members of the family must all sign it to make it binding.

9:39 Leadership succession planning if done properly and you choose a succe..... (5315:5474) - D 9: Participant 9

Leadership succession planning if done properly and you choose a successor who is very creative and innovative then the business will continue operating well.

9:40 Leadership succession planning if done properly and you choose a succe..... (5317:5474) - D 9: Participant 9

Leadership succession planning if done properly and you choose a successor who is very creative and innovative then the business will continue operating well.

9:41 it requires is a leader who actually performs well to grow the busines..... (5483:5554) - D 9: Participant 9

it requires is a leader who actually performs well to grow the business

9:42 The other problem is that a successor like in our family was just appo..... (3482:3644) - D 9: Participant 9

The other problem is that a successor like in our family was just appointed by word of mouth so that can bring problems in future because there will be no evidence

9:43 not reaching an agreement who the successor should be (3914:3966) - D 9: Participant 9

not reaching an agreement who the successor should be

9:44 lack of trust within the family can affect leadership succession in a..... (4017:4101) - D 9: Participant 9

lack of trust within the family can affect leadership succession in a negative way,

9:45 They explained thoroughly why they wanted me to take over the business..... (903:1011) - D 9: Participant 9

They explained thoroughly why they wanted me to take over the business to all my siblings and family members.

9:46 the leader should always communicate his intentions of choosing the su..... (3382:3479) - D 9: Participant 9

the leader should always communicate his intentions of choosing the successor to the entire family

9:47 it is important because it ensures the continuity of the business when..... (442:663) - D 9: Participant 9

it is important because it ensures the continuity of the business when the owner retires or dies and it also continues to feeds the remaining family and it provides stability to non-family members who work for the business

10:1 it means that you have to plan who is going to lead the business (148:213) - D 10: Participant 10

it means that you have to plan who is going to lead the business

10:5 we all work together, and if one is good at running the business, he o..... (828:936) - D 10: Participant 10

we all work together, and if one is good at running the business, he or she will be chosen as the successor.

10:6. It is not formally done but we just sit and discuss as a family (936:1000) - D 10: Participant 10

. It is not formally done but we just sit and discuss as a family

10:7 the successor should be based on how hardworking and enthusiastic that..... (1006:1116) - D 10: Participant 10

the successor should be based on how hardworking and enthusiastic that person is towards running the business.

10:8 We need a strong leader to manage the business well during this diffic..... (1117:1196) - D 10: Participant 10

We need a strong leader to manage the business well during this difficult moment

10:9 Our parents also looked at those qualities when they chose the success..... (1199:1270) - D 10: Participant 10

Our parents also looked at those qualities when they chose the successor

10:10 we are a family of four (1294:1317) - D 10: Participant 10

we are a family of four

10:11 two have diplomas in hotel and hospitality and one a degree in human r..... (1323:1445) - D 10: Participant 10

two have diplomas in hotel and hospitality and one a degree in human resource and our last born have a Bachelor of commerce

10:12 We were introduced to the business when we were young. (1448:1501) - D 10: Participant 10

We were introduced to the business when we were young.

10:15 Our parents died I mean 13 years ago so we have been running this busi..... (1646:1804) - D 10: Participant 10

Our parents died I mean 13 years ago so we have been running this business for 15 years and it will go on until we hand it over to our children and so forth.

10:16 We haven't done it yet. My parent did (1872:1908) - D 10: Participant 10

We haven't done it yet. My parent did

10:19 She has already told my other siblings that I will be the next success..... (2063:2134) - D 10: Participant 10

She has already told my other siblings that I will be the next successor

10:20 I want to make sure I continue working hard so that the business becom..... (2169:2350) - D 10: Participant 10

I want to make sure I continue working hard so that the business becomes more sustainable and that our great grandchildren will have something to rely on as their source of income.

10:21 this business has to continue and it has to continue feeding, and educ..... (2461:2624) - D 10: Participant 10

this business has to continue and it has to continue feeding, and educating the family, as well as our employees who equally depend on it as their source of income.

10:22 We have to work hard and pass it on to our children when we retire or..... (2626:2725) - D 10: Participant 10

We have to work hard and pass it on to our children when we retire or when something happens to us.

10:23 first of all to introduce our children to the business at an early age..... (2919:3095) - D 10: Participant 10

first of all to introduce our children to the business at an early age and start giving them some simple task like for instance washing dishes, spreading the beds and so forth.

10:25 That person must will need to have a degree or diploma. (3282:3336) - D 10: Participant 10

That person must will need to have a degree or diploma.

10:26 inter personal skills are very important as well. (3370:3419) - D 10: Participant 10

inter personal skills are very important as well.

10:27 a new leader will always come with new ideas that will make the busine..... (3627:3705) - D 10: Participant 10

a new leader will always come with new ideas that will make the business grow.

10:28 He/she can try to look for strategies which will work for the business..... (3707:3814) - D 10: Participant 10

He/she can try to look for strategies which will work for the business in terms of attracting more customers

10:29 We do appreciate the leadership of my elder sister because had it not..... (3817:3963) - D 10: Participant 10

We do appreciate the leadership of my elder sister because had it not been for her good performance, this business would have been history by now.

10:30 Well business performance was not affected because if you look at the..... (4054:4211) - D 10: Participant 10

Well business performance was not affected because if you look at the income turn over, the company has been performing extremely hence it is still existing.

10:34 We do not want any of our children that we will leave behind to suffer..... (4991:5140) - D 10: Participant 10

We do not want any of our children that we will leave behind to suffer, hence we have no option but to do it just like our late parents did it for us

10:37 Though this was not done in our family when my elder sister took over..... (5377:5567) - D 10: Participant 10

Though this was not done in our family when my elder sister took over the leadership from our late parents but I think things nowadays have changed and children are becoming more complicated.

10:38 It's better to have a legally signed document when we chose a successo..... (5569:5664) - D 10: Participant 10

It's better to have a legally signed document when we chose a successor in order to avoid flaws.

10:42 the successor should be legally documented. (6769:6812) - D 10: Participant 10

the successor should be legally documented.

10:43 The successor should possess all the skills required to run the busine..... (6814:6885) - D 10: Participant 10

The successor should possess all the skills required to run the business

10:44 she must show interest in running the business (6892:6937) - D 10: Participant 10

she must show interest in running the business

10:45 she must be groomed about all the business operations. (6946:7002) - D 10: Participant 10

she must be groomed about all the business operations.

10:46 the sake of sustainability, the new successor should be able to retain..... (7158:7314) - D 10: Participant 10

the sake of sustainability, the new successor should be able to retain customers and identify more business opportunities which will attract more customers.

10:47 must be a very hard working and should always be on the lookout for bu..... (7336:7428) - D 10: Participant 10

must be a very hard working and should always be on the lookout for business opportunities.

10:48 keeping the business running for decades (7675:7714) - D 10: Participant 10

keeping the business running for decades

10:49 identifying a leader with relevant skills is of great importance (7728:7791) - D 10: Participant 10

identifying a leader with relevant skills is of great importance

10:50 this should be done in consultation with all your siblings (7796:7854) - D 10: Participant 10

this should be done in consultation with all your siblings

10:52 Our elder sister dedicates most of her work to me and I oversee the wo..... (1964:2060) - D 10: Participant 10

Our elder sister dedicates most of her work to me and I oversee the work of my other two siblings

10:53 We are all actively involved in the day-to-day running of the business..... (1503:1579) - D 10: Participant 10

We are all actively involved in the day-to-day running of the business though

10:54 When they mature enough that's when we will introduce them to the enti..... (3097:3280) - D 10: Participant 10

When they mature enough that's when we will introduce them to the entire business operations and then who ever shows more interest or brings in new ideas will be chosen as a successor.

10:55 there can be challenges if the leader was not legally documented (5310:5374) - D 10: Participant 10

there can be challenges if the leader was not legally documented

10:56 the issue of honesty can also be another factor that can affect the fa..... (5850:5932) - D 10: Participant 10

the issue of honesty can also be another factor that can affect the family business

10:57 Some of the family members are not honesty (5935:5976) - D 10: Participant 10

Some of the family members are not honesty

10:58 Luck of unity can arise within the family members (5143:5192) - D 10: Participant 10

Luck of unity can arise within the family members

10:59 Sometimes some family members thinks they have the right to get money..... (6020:6152) - D 10: Participant 10

Sometimes some family members thinks they have the right to get money from the business for their personal motives from time to time.

10:60 in most cases we are scared of talking about it (4830:4877) - D 10: Participant 10

in most cases we are scared of talking about it

10:61 it serves as surety that the business will continue catering for the n..... (341:559) - D 10: Participant 10

it serves as surety that the business will continue catering for the needs of the family when you either fall sick, depart on this earth or even retire. Employees will not have to worry about losing their jobs as well.

10:62 the successor should be based on how hardworking and enthusiastic that..... (1005:1115) - D 10: Participant 10

the successor should be based on how hardworking and enthusiastic that person is towards running the business.

11:1 kids growing around the environment that they will one day in future b..... (148:236) - D 11: Participant 11



kids growing around the environment that they will one day in future be responsible for.

11:2 when it is done well you will see the children continuing with the bus..... (342:417) - D 11: Participant 11

when it is done well you will see the children continuing with the business

11:4 the children go into partnership with even bigger businesses to ensure..... (587:713) - D 11: Participant 11

the children go into partnership with even bigger businesses to ensure that that business that their father left is sustainable

11:6 I feel like in our family they also consider interest in that business..... (892:962) - D 11: Participant 11

I feel like in our family they also consider interest in that business.

11:8 In our family I would say it is not by age and not so much by gender b..... (1425:1580) - D 11: Participant 11

In our family I would say it is not by age and not so much by gender but traditionally, I would think my brother would take over because he is the only man

11:9 the boy child, the last born child in fact who is a boy is the one who..... (1646:1866) - D 11: Participant 11

the boy child, the last born child in fact who is a boy is the one who inherits the parents homestead, he tends to live there, get married, have a wife that takes care of the parents and takes care of the family business

11:10 It was done by word of mouth when my grandfather was alive. (2184:2243) - D 11: Participant 11

It was done by word of mouth when my grandfather was alive.

11:11 It is the biggest source of food for many household in the area and jo..... (2316:2398) - D 11: Participant 11

It is the biggest source of food for many household in the area and jobs as well.

11:12 this involves unintentional learning of whatever it is that they are g..... (2511:2696) - D 11: Participant 11

this involves unintentional learning of whatever it is that they are going to succeed because of basically socialisation so they learn as they grow that they will one day take over this.

11:14 You will just learn by seeing and you learn by sometimes occasionally..... (2862:3014) - D 11: Participant 11

You will just learn by seeing and you learn by sometimes occasionally working in the business yourself even if you are told just to be doing your chores.

11:15 when it is done well you will see the children continuing with the bus..... (3506:3656) - D 11: Participant 11

when it is done well you will see the children continuing with the business and with time changing the children also brings up new ways of doing things

11:16 We lost some customers (3972:3993) - D 11: Participant 11

We lost some customers

11:17 we have recovered now and we have an established clientele base. (4084:4148) - D 11: Participant 11

we have recovered now and we have an established clientele base.

11:21 when it is done well you will see the children continuing with the bus..... (5176:5251) - D 11: Participant 11

when it is done well you will see the children continuing with the business

11:22 the children also brings up new ways of doing things (5276:5327) - D 11: Participant 11

the children also brings up new ways of doing things

11:23 we should treat the business as a business. (6810:6853) - D 11: Participant 11

we should treat the business as a business.

11:24 I think the formalisation of whatever it is that we are engaged in we..... (7192:7286) - D 11: Participant 11

I think the formalisation of whatever it is that we are engaged in we need to take that serious

11:25 interest in the family (7326:7347) - D 11: Participant 11

interest in the family

11:26 In most cases you are not formally told or said to you that one day you..... (2697:2790) - D 11: Participant 11

In most cases you are not formally told or said to you that one day you will have to run this

11:27 I think if it is not done well, the impact is that from a lot of examp..... (4263:4581) - D 11: Participant 11

I think if it is not done well, the impact is that from a lot of examples that we see when parents die for example and leave behind the business and wealthy to their children, where it looked like there was no plan or guidance, you find the money is spread in a very short space of time, the business stops functioning.

11:28 We have a lot of examples, growing up there where families that had sh..... (4583:4869) - D 11: Participant 11

We have a lot of examples, growing up there where families that had shops and now you see that it's easier to have mostly Pakistan people run them because the kids cannot, the children who have inherited them do not seem to succeed like the Pakistan people who are occupying those stores

11:29 the children who have inherited them do not seem to succeed like the P..... (4754:4940) - D 11: Participant 11

the children who have inherited them do not seem to succeed like the Pakistan people who are occupying those stores so that's one of the example when there is a lack of a succession plan

11:30 The idea is to keep the business feeding the family and providing empl..... (716:792) - D 11: Participant 11

The idea is to keep the business feeding the family and providing employment

12:1 taking over business from one family member to another family member w..... (161:298) - D 12: Participant 12

taking over business from one family member to another family member which the family agreed upon to take responsibility of the business

12:4 she had to train me. Sh (736:758) - D 12: Participant 12

she had to train me. Sh

12:5 She had to show me things around, to introduce me to clients and to te..... (783:890) - D 12: Participant 12

She had to show me things around, to introduce me to clients and to tell me what to do and how to do it, so

12:6 when she died in 2005 (1053:1073) - D 12: Participant 12

when she died in 2005

12:7 she knew that I am a hard working person and she knew that I was going..... (1200:1316) - D 12: Participant 12

she knew that I am a hard working person and she knew that I was going to be able to take care of her two young kids.

12:8 She also knew that I was going to improve the business from where she..... (1407:1483) - D 12: Participant 12

She also knew that I was going to improve the business from where she left it

12:9 She was also thinking about the future of the business (1486:1540) - D 12: Participant 12

She was also thinking about the future of the business

12:10 I used to report for work every day and she introduced ma to various a..... (1690:1788) - D 12: Participant 12

I used to report for work every day and she introduced ma to various activities within her company

12:11 after working for her for six years (1965:1999) - D 12: Participant 12  
after working for her for six years

12:14 The performance of the business was not affected because I did exactly..... (2589:2715) - D 12: Participant 12

The performance of the business was not affected because I did exactly what she told me when guiding me to manage the business.

12:15 leadership succession planning is a positive move more especially if y..... (2871:2972) - D 12: Participant 12

leadership succession planning is a positive move more especially if you choose a hard working person.

12:16 it is all about trust (3302:3322) - D 12: Participant 12

it is all about trust

12:17 if he/she thinks about himself or expanding the business. (3402:3459) - D 12: Participant 12

if he/she thinks about himself or expanding the business.

12:18. Do you know the person you bringing in the business? And you know hi..... (3483:3561) - D 12: Participant 12

. Do you know the person you bringing in the business? And you know his vision.

12:19 is the person well trained? (3589:3616) - D 12: Participant 12

is the person well trained?

12:25 The owner has to groom the successor until he/she is capable to run th..... (4823:4912) - D 12: Participant 12

The owner has to groom the successor until he/she is capable to run the business properly.

12:26 They should allow the successors to bring in new ideas (4914:4967) - D 12: Participant 12

They should allow the successors to bring in new ideas

12:27 Listen to he/ his mind set because things keep on changing every day. (5102:5170) - D 12: Participant 12

Listen to he/ his mind set because things keep on changing every day.

12:29 We are sometimes told to inherit the business without any knowledge ab..... (5237:5358) - D 12: Participant 12

We are sometimes told to inherit the business without any knowledge about the business just because that's we are children

12:30 In most times we not groomed to run the business and when they give ch..... (5361:5626) - D 12: Participant 12

In most times we not groomed to run the business and when they give children a chance to run the business they start living the high life because for them when they see the money for the business they will think it is time for clubbing and changing their life style.

12:31 The successor should be someone is very honesty (5628:5675) - D 12: Participant 12

The successor should be someone is very honesty

12:32 everything you say when choosing the successor has to be written down (5680:5748) - D 12: Participant 12

everything you say when choosing the successor has to be written down

12:33 it should be communicated to all the family members (5783:5835) - D 12: Participant 12

it should be communicated to all the family members

12:34 I think the best way to do it is to groom the successor. (5988:6043) - D 12: Participant 12

I think the best way to do it is to groom the successor.

12:35 the successor must be hard working and bring in new ideas on how to ru..... (6100:6184) - D 12: Participant 12

the successor must be hard working and bring in new ideas on how to run the business

12:37 It is about knowing your family first. (6614:6651) - D 12: Participant 12

It is about knowing your family first.

12:38 If you are in the business, you do not have to wait for the business t..... (6653:6852) - D 12: Participant 12

If you are in the business, you do not have to wait for the business to be successful to bring a family member in because they would not know the difficulties you went through to be where you are now.

12:40 So the best way to do it is grooming your successor when you just start..... (7040:7238) - D 12: Participant 12

So the best way to do it is grooming your successor when you just start your business it does not matter whether that person is young what matters is introducing them the business activities slowly.

12:41 I had to pick up myself and well keep the business running (2419:2477) - D 12: Participant 12

I had to pick up myself and well keep the business running

12:42 it was done by word of mouth to the other family members which I think..... (3797:3900) - D 12: Participant 12

it was done by word of mouth to the other family members which I think can bring some disputes in future

12:43 What is killing our children is that we do not introduce the children..... (4376:4484) - D 12: Participant 12

What is killing our children is that we do not introduce the children at to our businesses at the early age.

12:44 That's why when they succeed the business they just play with the mone..... (4486:4580) - D 12: Participant 12

That's why when they succeed the business they just play with the money and the business fail.

12:45 Most of the time the successor is brought into the family business whe..... (6854:7037) - D 12: Participant 12

Most of the time the successor is brought into the family business when the predecessor realise that something is happening to them and the period of training or grooming them is short

12:46 I think some of the family members were not happy about me leading her..... (4010:4087) - D 12: Participant 12

I think some of the family members were not happy about me leading her company

12:47 Some of them where just jealous because they used to say negative thin..... (4090:4161) - D 12: Participant 12

Some of them where just jealous because they used to say negative things

12:48 someone who is corrupt (6200:6223) - D 12: Participant 12

someone who is corrupt

12:49 You have to know the habits of all your family members (6245:6298)  
- D 12: Participant 12

You have to know the habits of all your family members

12:50 have the person that is taking over to know about it. (414:467) - D  
12: Participant 12

have the person that is taking over to know about it.

12:51 she told me that I should take over the company (2013:2060) - D  
12: Participant 12

she told me that I should take over the company

12:52 Many businesses fail because the successor is not well prepared.  
(5172:5235) - D 12: Participant 12

Many businesses fail because the successor is not well prepared.

12:53 She also knew that I was going to improve the business from where  
she..... (1407:1484) - D 12: Participant 12

She also knew that I was going to improve the business from where she left it.

13:1 how somebody else is going to take over or fill in the business for  
so..... (225:385) - D 13: Participant 13

how somebody else is going to take over or fill in the business for somebody else who  
is higher up there who might leave the business or something else happens

13:2 how the business is going to carry on running with the new  
management. (400:470) - D 13: Participant 13

how the business is going to carry on running with the new management.

13:5 three of us (1195:1206) - D 13: Participant 13

three of us

13:7 I have been with them for five years (1344:1380) - D 13: Participant  
13

I have been with them for five years



13:10 I am becoming more involved in all the management aspect of the busine..... (2246:2576) - D 13: Participant 13

I am becoming more involved in all the management aspect of the business but I feel like the financial part is the big step of the thing. So once I am becoming a lot more involved in that I will have much understanding and the thing is eventually mom and dad will be able to step back and let me take over the business and run it.

13:11 It's difficult to say because we don't do a formal planning (2758:2816) - D 13: Participant 13

It's difficult to say because we don't do a formal planning

13:12 Ok once a year we have, what we call a conference sun set. (2819:2876) - D 13: Participant 13

Ok once a year we have, what we call a conference sun set.

13:15 I am already involved from the beginning of whatever project it is or..... (3401:3599) - D 13: Participant 13

I am already involved from the beginning of whatever project it is or anything like that. I think that I wouldn't say I do anything that is like very specific but I do get involved in a lot of thing

13:16 Whenever we get new things I sort of try and get involved straight rig..... (3603:3740) - D 13: Participant 13

Whenever we get new things I sort of try and get involved straight right from the begging so that as it goes along I know what's happening

13:17 Both my dad and mom completed their BCom in accounting and they also d..... (3848:3925) - D 13: Participant 13

Both my dad and mom completed their BCom in accounting and they also did CIMA.

13:18 They are professional accountants. Just like my grandfather and I thin..... (3927:4060) - D 13: Participant 13

They are professional accountants. Just like my grandfather and I think that could be the other reason why it was left in their hands.

13:19 My parents has been running it for 20 years ever since they took over..... (4062:4243) - D 13: Participant 13

My parents has been running it for 20 years ever since they took over from my late grandfather and they have really done well because they have expanded it we and have more clients.

13:20 because it's only the three of us and my parents travel together a lot..... (4334:4620) - D 13: Participant 13

because it's only the three of us and my parents travel together a lot and I know that sound terrible to say but what happens if something happens to the two of them you know, Then the business still needs to run we can't have it just stopping there and that's it I don't know what to do

13:21 if my dad want to step down and nothing built anymore whatever, we nee..... (4647:4879) - D 13: Participant 13

if my dad want to step down and nothing built anymore whatever, we need to have some sort of plan how we are going to carry on moving with the business and how it is going to go forward so that's pretty much the motivation behind it,

13:22 you have to be realistic of what could happen. (4883:4931) - D 13: Participant 13

you have to be realistic of what could happen.

13:23 we chat on e-mail a lot and we also chat on skype (5092:5141) - D 13: Participant 13

we chat on e-mail a lot and we also chat on skype

13:24 The nice thing about it is because it is on our computers, we have got..... (5176:5646) - D 13: Participant 13

The nice thing about it is because it is on our computers, we have got the whole conversation there, so it is not like it is going to disappear, so we chat quite informally on that but then we have google drive where we put all our very important stuff that all of us we need to access and the reason why we have done it like that so that if say for instance I don't have my laptop with me, I can use someone else laptop so that I can log in and I can access everything.

13:25 So we make sure that it is documented so that we can all see where we..... (5647:5784) - D 13: Participant 13

So we make sure that it is documented so that we can all see where we are going like I said it is quite informal so we can change things.

13:26 once a month on a Monday or so, we just get together and have like a m..... (5807:6126) - D 13: Participant 13

once a month on a Monday or so, we just get together and have like a meeting were we go through everything and see where we are now and where we can start and then with any project that we want to go forward with or anything that I needed to be more involved in or start getting involved in, we discuss it there as well.

13:27 I think I have got a lot of experience but I would have to employ othe..... (6235:6429) - D 13: Participant 13

I think I have got a lot of experience but I would have to employ other people, I wouldn't be able to do everything by myself, there is absolutely no ways because I don't do more of the auditing

13:30 I am glad I am doing this course so that I can surely get into that. (6686:6754) - D 13: Participant 13

I am glad I am doing this course so that I can surely get into that.

13:31 I think in the beginning it is a bit scary because you are sort of tol..... (6938:7052) - D 13: Participant 13

I think in the beginning it is a bit scary because you are sort of told you going to take over the business one day

13:33 it actually gotten a lot better, we have grown a lot in the last five..... (7520:7784) - D 13: Participant 13

it actually gotten a lot better, we have grown a lot in the last five years that I have been part of them but It is maybe because I came with a few new ideas and because we are a family and a very close family we trust each other and we trust each other's judgement

13:34 I feel like I have added a lot of value and I am loving this idea that..... (7920:8092) - D 13: Participant 13

I feel like I have added a lot of value and I am loving this idea that I will be taking over and it has given me like freedom to say this is what I will be doing in future.

13:37 at least now I know all the clients and I am surely getting to know al..... (8840:9178) - D 13: Participant 13

at least now I know all the clients and I am surely getting to know all of them because I deal with them by e-mails but I am also just slowly meeting them and doing this that and they are getting to know me just taking a lot of pressure from my mom and dad because they don't have to deal with everyday client issues, I can deal with that.

13:41 I don't want to say it's informal, but sometimes the way we communicat..... (11374:11458) - D 13: Participant 13

I don't want to say it's informal, but sometimes the way we communicate is informal.

13:43 because we are family, and we know what's happening in each other's pe..... (11905:11985) - D 13: Participant 13

because we are family, and we know what's happening in each other's personal life

13:45 We are very lucky that the three of us get on very well (12718:12772) - D 13: Participant 13

We are very lucky that the three of us get on very well

13:47 If we have like a family difference whatever, businesses is completely..... (12987:13119) - D 13: Participant 13

If we have like a family difference whatever, businesses is completely separated from our actual life, personal life, and family time

13:51 It's good to have same goals in mind. (14213:14250) - D 13: Participant 13

It's good to have same goals in mind.

13:52 you can't just load them with work and expect them to know because eve..... (14340:14903) - D 13: Participant 13

you can't just load them with work and expect them to know because even though I have grown up being around this business and hearing about it and stuff, It doesn't mean I know the in's and out about it and actually it doesn't mean I understand it, so it's good to first with succession planning or leadership succession planning specifically, It's good to know ok cool we want this person to come into the business and eventually take over and want them eventually to be in this role, but you still need to train that person and you still need to give them time

13:53 everyone understands whose roles belong to who (15009:15055) - D 13: Participant 13

everyone understands whose roles belong to who

13:54 you still need some specific things in place, like any other business..... (15170:15336) - D 13: Participant 13

you still need some specific things in place, like any other business like this is the CEO, this is the so and so and their decisions are final in their departments.

13:56 people, I feel like sometimes they relate better when they are dealing..... (15694:15848) - D 13: Participant 13

people, I feel like sometimes they relate better when they are dealing with a family business because they are happy to bend the rules a little bit for you

13:57 I think it's a good idea to have family-owned business and I think it'..... (15960:16095) - D 13: Participant 13

I think it's a good idea to have family-owned business and I think it's a good idea to try and keep it in the family as long as possible

13:58 If you can show how it can benefit them, then they will be interested (16187:16255) - D 13: Participant 13

If you can show how it can benefit them, then they will be interested

13:60 I have sort of flexibility because I don't have to work from the offic..... (16785:17022) - D 13: Participant 13

I have sort of flexibility because I don't have to work from the office I can work from home if I want to like last week I was in Porch, I was working from Porch but it's still easy for me because I can communicate with them very quickly

13:61 And also one day my children would want to work in this business becau..... (17175:17488) - D 13: Participant 13

And also one day my children would want to work in this business because it's definitely growing and I feel like I made a huge impact being part of it but mainly because of the fact that I am so like invested in it because it directly affects me the way the business is run, like how much money we make affects me

13:62 I think succession planning should be done in both formal and informal..... (17752:17827) - D 13: Participant 13

I think succession planning should be done in both formal and informal way.

13:63 I think that's one thing we should all understand that you can change..... (17930:18034) - D 13: Participant 13

I think that's one thing we should all understand that you can change your mind whenever you feel like.

13:64 I think it is good like to have informal conversations and maybe organ..... (18188:18327) - D 13: Participant 13

I think it is good like to have informal conversations and maybe organised sort of meetings somewhere else where you can chat quite easily.

13:65 you can think about it easily but more and then put it formally like a..... (18348:18544) - D 13: Participant 13

you can think about it easily but more and then put it formally like an e-mail or if you have used google drive for instance so that all of us can access everything at once online wherever we want.

13:67 Bt ech degree (18952:18964) - D 13: Participant 13

Bt

ech degree

13:68 Right now I feel like I wouldn't be able to but as I am going along, I..... (7055:7182) - D 13: Participant 13

Right now I feel like I wouldn't be able to but as I am going along, I am surely learning a lot more and it is becoming exiting.

13:69 It has actually been the best thing for me because now I love what I d..... (16712:16784) - D 13: Participant 13

It has actually been the best thing for me because now I love what I do.

13:70 I am slowly getting my way through, I am starting to get more and more..... (1585:1671) - D 13: Participant 13

I am slowly getting my way through, I am starting to get more and more management jobs.

13:71 I am also doing courses along the way for instance I am going to do a..... (1672:1820) - D 13: Participant 13

I am also doing courses along the way for instance I am going to do a CIMA course which is about finances so I can finally take more financial roles

13:72 We discuss things very informally (11706:11738) - D 13: Participant 13

We discuss things very informally

13:73 there is also a lot of family dynamics (12677:12715) - D 13: Participant 13

there is also a lot of family dynamics

13:74 you might find that in some families they have an argument at home and..... (12782:12895) - D 13: Participant 13

you might find that in some families they have an argument at home and they bring it through to the office as well

13:75 we discuss what is happening with the future of our business, where it..... (3007:3126) - D 13: Participant 13

we discuss what is happening with the future of our business, where it is going, what sort of goals we have got in mind,

13:76 we discuss how we are going to achieve them and how I am going to slow..... (3264:3380) - D 13: Participant 13

we discuss how we are going to achieve them and how I am going to slowly get involved and what I can do from my side.

13:77 hey have massive budgets that they can plan beforehand I feel like som..... (9860:9965) - D 13: Participant 13

hey have massive budgets that they can plan beforehand I feel like sometimes that is a bit of a challenge.

13:78 It's good to write down where you want the business to go but also und..... (13366:13544) - D 13: Participant 13

It's good to write down where you want the business to go but also understand that it's not going to happen overnight and you all need to work together to achieve the same thing.

13:79 if we don't have a plan in place like we said earlier, if something ha..... (8560:8697) - D 13: Participant 13

if we don't have a plan in place like we said earlier, if something had to happen from my mom or dad, the business is going to go nowhere

13:80 Nobody is going to know what to do, where to go, how to carry on manag..... (8737:8835) - D 13: Participant 13

Nobody is going to know what to do, where to go, how to carry on managing it or anything like that.

13:81 I think when it comes to family-owned business it's a bit difficult b..... (576:770) - D 13: Participant 13

I think when it comes to family-owned business it's a bit difficult because it is difficult to employ new people because you feel like they are not going to value your business as much as you do

13:82 So to me it makes sense to still have somebody who is part of the fami..... (773:1084) - D 13: Participant 13

So to me it makes sense to still have somebody who is part of the family and you can surely have other people into the family but I think to me it still makes sense to still have management as part of the family because they will still have the same values as what the person who started the business will have

13:83. I just think there is a sort of a personal attach when it comes to a..... (15603:15689) - D 13: Participant 13

. I just think there is a sort of a personal attach when it comes to a family business

15:1 To me it is very important if you lead in a proper way, because you ca..... (246:455) - D 15: Participant 14

To me it is very important if you lead in a proper way, because you can also mislead when you are a leader, so to me the leadership must be honesty and profitable leadership otherwise you are wasting your time.

15:2 Succession planning to me means grooming your child or any family memb..... (457:713) - D 15: Participant 14



Succession planning to me means grooming your child or any family member with all the business skills so that he will be able to operate the business well when you finally retire from the business or due to any other eventualities that may happen in my life

15:3 Succession and leadership are a big problem of today in the sense that..... (716:833) - D 15: Participant 14

Succession and leadership are a big problem of today in the sense that I can work all my life and I can work very hard

15:4 handing over the business in this case to my son because I am retiring..... (901:972) - D 15: Participant 14

handing over the business in this case to my son because I am retiring.

15:5 So what I want to say is that we must be very careful about the handin..... (1066:1198) - D 15: Participant 14

So what I want to say is that we must be very careful about the handing over as succession so that the business can grow and continue

15:6 it is going to be a matter, of his got to work to succeed the business..... (1248:1319) - D 15: Participant 14

it is going to be a matter, of his got to work to succeed the business.

15:7 I just want him to learn. (1679:1705) - D 15: Participant 14

I just want him to learn.

15:9. I have got three children, one boy and two girls. (2561:2611) - D 15: Participant 14

. I have got three children, one boy and two girls.

15:14 For my eldest son which is the eldest and my first born. I got to star..... (3827:4057) - D 15: Participant 14

For my eldest son which is the eldest and my first born. I got to start up with him, so that his siblings mustn't believe that I am just giving the honours of it. That is why they are also been educated but going through the rules.

15:15 I cannot start my daughter at the same level like my son because no di..... (4058:4221) - D 15: Participant 14

I cannot start my daughter at the same level like my son because no disrespect for women but his a man. And the way I grew up men must lead and women must follow.

15:16 Unfortunately I grew up in the old school were my father was a leader,..... (4222:4324) - D 15: Participant 14

Unfortunately I grew up in the old school were my father was a leader, so I expect him to be the leader

15:17 Building on the family business, I do send him on different courses. (4327:4394) - D 15: Participant 14

Building on the family business, I do send him on different courses.

15:18 The first course I had to send him was a management course because he..... (4396:4603) - D 15: Participant 14

The first course I had to send him was a management course because he was directly out of school, he only finished metric and he had no knowledge of even been a leadership because he was not educated in that.

15:19 I can prepare him to be a leader, but he has to get advice from anothe..... (4605:4829) - D 15: Participant 14

I can prepare him to be a leader, but he has to get advice from another perspective so that he can see, maybe I am just misleading him as a father but we need somebody else to talk to him so that he can make a sound judgement

15:20 The other courses that he has done is based on the products that we se..... (4832:4903) - D 15: Participant 14

The other courses that he has done is based on the products that we sell

15:21 Leadership is also working with your spouse, not working against your..... (5008:5085) - D 15: Participant 14

Leadership is also working with your spouse, not working against your spouse.

15:23 He has been in this company for the past eight years, so he has gained..... (5382:5481) - D 15: Participant 14

He has been in this company for the past eight years, so he has gained from the work point of view.

15:24 It is not good to say ok my boy in the past eight years you have prove..... (5633:5802) - D 15: Participant 14

It is not good to say ok my boy in the past eight years you have proved your worthy take the business. That is going to be unfair towards my wife and to his two sisters.

15:25 So when I hand over the business, this is the way I am going to hand i..... (5804:5949) - D 15: Participant 14

So when I hand over the business, this is the way I am going to hand it over, and your mother will get this amount that you will have to pay her.

15:26 But he is not the only child, so his two sisters must be given a propo..... (6222:6381) - D 15: Participant 14

But he is not the only child, so his two sisters must be given a proportion of the business that I built up. I know what my business is worth in monetary value

15:27 This is stated very clearly in my will. (6823:6862) - D 15: Participant 14

This is stated very clearly in my will.

15:28 There can be no controversy about it because that is what you are goin..... (6864:7068) - D 15: Participant 14

There can be no controversy about it because that is what you are going to pay your mother boy, that is what you are going to be paying your sisters and this is how you are going to look after the business

15:29 I am not going to give you a detailed list of how to run the business,..... (7119:7250) - D 15: Participant 14

I am not going to give you a detailed list of how to run the business, because that experience is gained over the past eight years.

15:30 What is the succession in the business? You want to see results. (7431:7494) - D 15: Participant 14

What is the succession in the business? You want to see results.

15:31 When I grew up we were discriminated based on race and it was very bad (8037:8106) - D 15: Participant 14

When I grew up we were discriminated based on race and it was very bad

15:32 it was my life ambition to work for myself. (8146:8189) - D 15: Participant 14

it was my life ambition to work for myself.

15:33 The determination was there to better my life with very poor parents (8855:8922) - D 15: Participant 14

The determination was there to better my life with very poor parents

15:34 Like I said when I went to this school, that was my determination, I w..... (9013:9107) - D 15: Participant 14

Like I said when I went to this school, that was my determination, I wanted to work for myself.

15:35 the greatest honour I had was to prove a point to my parents and it was..... (9716:9982) - D 15: Participant 14

the greatest honour I had was to prove a point to my parents and it was a success story that I could be somebody they could be proud off because they never had the opportunity, and what I am saying is that he just didn't have a drive to be able to do things on his own

15:36 it was more also a parent pleasing thing that I wanted to do. (9987:10049) - D 15: Participant 14

it was more also a parent pleasing thing that I wanted to do.

15:37 For leadership succession, you have to train the guy that you think is..... (10165:10258) - D 15: Participant 14

For leadership succession, you have to train the guy that you think is going to be the leader.

15:38 I can't expect him know everything and that is why there are courses o..... (10340:10472) - D 15: Participant 14

I can't expect him know everything and that is why there are courses on the market that whether he likes or not, he must attend them

15:39 send him to the factory, to see how the products are manufactured beca..... (10655:10762) - D 15: Participant 14

send him to the factory, to see how the products are manufactured because they are the experts and I am not.

15:40 Because you must remember I don't want to work anymore. So how is he g..... (10991:11176) - D 15: Participant 14

Because you must remember I don't want to work anymore. So how is he going to pass that on to his siblings, or if something happens to him and he pass away, is the business going to die?

15:41 Besides him been a leader, he is going to create another leader. (11209:11273) - D 15: Participant 14

Besides him been a leader, he is going to create another leader.

15:42 so that he can pass the knowledge on so that this business can carry..... (11353:11432) - D 15: Participant 14

so that he can pass the knowledge on so that this business can carry on forever

15:43 It doesn't matter how old you are, you can also learn and sometimes he..... (11947:12086) - D 15: Participant 14

It doesn't matter how old you are, you can also learn and sometimes he comes up with very bright ideas that I never even gave it a thought.

15:44 That's also part I believe of leadership, look and learn, listen and l..... (12087:12161) - D 15: Participant 14

That's also part I believe of leadership, look and learn, listen and learn.

15:45 Part of leadership is that you as a leader, you are not always right,..... (12429:12566) - D 15: Participant 14

Part of leadership is that you as a leader, you are not always right, you can learn from the people that you think are your subordinates.

15:47 We are very, very close in the family that is out motto. I do not have..... (13350:13525) - D 15: Participant 14

We are very, very close in the family that is out motto. I do not have a favourite grandchild, they are all my favourite. I do not have a favourite child, they are all my favourite

15:48 we were seven children in my family and my father never had a favourite..... (13680:13752) - D 15: Participant 14

we were seven children in my family and my father never had a favourite.

15:49 That was in the begging a hard nut to crack because he was totally ign..... (13832:13981) - D 15: Participant 14

That was in the begging a hard nut to crack because he was totally ignorant when he came to this kind of thing, because he was straight out of school

15:50 he never had a clue of what it is to be in a business (13986:14038) - D 15: Participant 14

he never had a clue of what it is to be in a business

15:51 as bad as it sounds now, it made a better person (14725:14774) - D 15: Participant 14

as bad as it sounds now, it made a better person

15:52 When I bought in my son, the business grew astronomically in the sense..... (14960:15113) - D 15: Participant 14

When I bought in my son, the business grew astronomically in the sense that he did a lot of the manual work which relieved me of adding that to my burden.

15:53 You see as a leader, you must pass on the smaller things to the next g..... (15115:15406) - D 15: Participant 14

You see as a leader, you must pass on the smaller things to the next guy, so that he can grow learning those things. It's not good starting him at the deeper end. He had to start off been the driver and I think that is where we built our relationship that he had to start right at the bottom.

15:54 Now Lots of family businesses also falls because the father let the so..... (15407:15495) - D 15: Participant 14

Now Lots of family businesses also falls because the father let the son start over there

15:55 his got people that work for him and he ill treats them because he is..... (15506:15588) - D 15: Participant 14

his got people that work for him and he ill treats them because he is now the boss

15:56 He must know that my workers have been around here for a long time and..... (15729:15819) - D 15: Participant 14

He must know that my workers have been around here for a long time and he must respect them

15:57 If he respects them, they will also respect him. (15973:16022) - D 15: Participant 14

If he respects them, they will also respect him.

15:58 also teach him to be as humble as possible so that the people who are..... (16052:16159) - D 15: Participant 14

also teach him to be as humble as possible so that the people who are working for him now can appreciate him

15:59 teach the guy that you want to lead the company further to be as humbl..... (16453:16574) - D 15: Participant 14

teach the guy that you want to lead the company further to be as humble as possible to the people he will be working with.

15:60 he has to be firm but not rude (16641:16670) - D 15: Participant 14

he has to be firm but not rude

15:61 Part of leadership, you must be part of the business, not just been th..... (16673:16754) - D 15: Participant 14

Part of leadership, you must be part of the business, not just been the boss there

15:62 we all work together (16817:16837) - D 15: Participant 14

we all work together

15:63 you must set the pace first, (17797:17825) - D 15: Participant 14

you must set the pace first,

15:65 they must respect the decisions that you take which will make them wan..... (18389:18473) - D 15: Participant 14

they must respect the decisions that you take which will make them want to be leaders

15:66 if you are not a good leader, you cannot pass it over to them. They wo..... (18481:18648) - D 15: Participant 14

if you are not a good leader, you cannot pass it over to them. They wouldn't want to be leaders and that is the big problem that we are having in South Africa right now

15:67 We are enforcing leadership onto people that are not ready for leaders..... (18651:18724) - D 15: Participant 14

We are enforcing leadership onto people that are not ready for leadership.

15:68 Now if I want to make my son a leader, then I should teach him those I..... (18726:18811) - D 15: Participant 14

Now if I want to make my son a leader, then I should teach him those leadership skills

15:69 So as a family business we all have to be happy with the situation. (18952:19018) - D 15: Participant 14

So as a family business we all have to be happy with the situation.

15:70 So to build up that leadership and to want one to continue in the futu..... (19381:19560) - D 15: Participant 14

So to build up that leadership and to want one to continue in the future, you must make that man and the other family members to want to be leaders and not to force leadership down

15:71 As a good leader, I think you have got to set the record straight, (19729:19794) - D 15: Participant 14

As a good leader, I think you have got to set the record straight,

15:72 To be a good leader you have to take some courses in management becaus..... (19880:20161) - D 15: Participant 14

To be a good leader you have to take some courses in management because I did a certificate in that. My lecturer in management was my role model, the way she taught me about management 40 years ago stuck here in my head and I wanted to be like this woman to pass my knowledge on.

15:74 when you are a leader if you have some sort of misunderstanding with y..... (20419:20554) - D 15: Participant 14

when you are a leader if you have some sort of misunderstanding with your workers do not solve them right away, but try and slip over it

15:77 f the leader is not open and honest, those can affect the business too..... (20987:21058) - D 15: Participant 14

f the leader is not open and honest, those can affect the business too.

15:82 the succession plan must be formally written and signed in presence of..... (22652:22753) - D 15: Participant 14



the succession plan must be formally written and signed in presence of the lawyer as part of your will

15:83 The shares or salaries of all the siblings must be clearly stated incl..... (22756:22868) - D 15: Participant 14

The shares or salaries of all the siblings must be clearly stated including that of their mother were necessary.

15:84 we must teach our children to look in the right direction (23353:23409) - D 15: Participant 14

we must teach our children to look in the right direction

15:85 To be a good leader, you must not only be a good leader to the business..... (24327:24433) - D 15: Participant 14

To be a good leader, you must not only be a good leader to the business, you must be a good overall leader.

15:87 when we say leadership and succession of the business it must be that,..... (1735:1890) - D 15: Participant 14

when we say leadership and succession of the business it must be that, he must be interested, and the only way he can show me if he is interested, he works.

15:88 if you have not capacitated your successor with necessary skills then..... (20794:20912) - D 15: Participant 14

if you have not capacitated your successor with necessary skills then this can also affect the business in a bad way.

15:89 If there is no unity in the family the business can be affected as wel..... (20912:20983) - D 15: Participant 14

If there is no unity in the family the business can be affected as well

15:90 There are lots of squabbles in family business especially in the big f..... (17926:18004) - D 15: Participant 14

There are lots of squabbles in family business especially in the big families,

15:91 a big spender (21502:21515) - D 15: Participant 14

a big spender

15:92 Parents tend to spoil their children by giving them everything they as..... (21676:21898) - D 15: Participant 14

Parents tend to spoil their children by giving them everything they ask for, I think to me that is not leadership, the business will be not sustainable. So I think don't spoil them, that is a big problem with sustainability

15:93 no sustainability when you are a waster. (22420:22460) - D 15: Participant 14

no sustainability when you are a waster.

15:94 I can answer with pride, in sense that, if you have got a child who is..... (2785:3021) - D 15: Participant 14

I can answer with pride, in sense that, if you have got a child who is going to look for a job, he is going to look aimlessly, he is not going to find a job, unless you have got contacts within the government, where you can push things.

15:95 I have two ladies who has been through the University of Free State, t..... (3194:3417) - D 15: Participant 14

I have two ladies who has been through the University of Free State, they have got doctorate degrees and they cannot get the job. So the only way I believe the way forward is to teach your kids the hard way in the business.

15:96 So you see the importance of letting your kids know, that they cannot..... (3564:3744) - D 15: Participant 14

So you see the importance of letting your kids know, that they cannot afford to mess up the family business. Otherwise, they are also going to be part of statistics of unemployment

15:97. Another thing, talking about leadership is trust. If you do not have..... (12961:13274) - D 15: Participant 14

. Another thing, talking about leadership is trust. If you do not have the trust, then I won't allow my daughter to do the EFT's because she's going to see, but dad has bought a new car, that's wrong, they must know what is happening in the business, even though it has got nothing to do with them, it's my money.

15:98 Do not be selfish, try to tell them how you made it to build your own..... (20315:20394) - D 15: Participant 14

Do not be selfish, try to tell them how you made it to build your own business.

17:1 making sure the business is sustainable if I step down or retire or di..... (198:277) - D 17: Participant 1

making sure the business is sustainable if I step down or retire or die whatever

17:2 as a manager of this business leaves who would I replace him with thro..... (346:439) - D 17: Participant 1

as a manager of this business leaves who would I replace him with throughout the organisation,

17:6 Usually over breakfast informally, (995:1028) - D 17: Participant 1

Usually over breakfast informally,

17:7 two children (1129:1141) - D 17: Participant 1

two children

17:11 I want to retire next year. (1346:1372) - D 17: Participant 1

I want to retire next year.

17:13 He has all the necessary skills to run this business. (1421:1473) - D 17: Participant 1

He has all the necessary skills to run this business.

17:14 He has a diploma and it has helped him a lot in running the business. (1591:1659) - D 17: Participant 1

He has a diploma and it has helped him a lot in running the business.

17:15 I also groomed and mentored him with necessarily managerial skills. (1661:1727) - D 17: Participant 1

I also groomed and mentored him with necessarily managerial skills.

17:16 his taking over the business have already being communicated to with t..... (1732:1839) - D 17: Participant 1

his taking over the business have already being communicated to with the family members and they all agreed.

17:17 It's difficult to sort of have a formal plan. We sort of having a disc..... (1841:1916) - D 17: Participant 1

It's difficult to sort of have a formal plan. We sort of having a discussing

17:18 We don't have to sign it off. It is informal that's possibly a risk (1932:1998) - D 17: Participant 1

We don't have to sign it off. It is informal that's possibly a risk

17:19 We are currently doing it as I said earlier. My second-born son is tak..... (2140:2229) - D 17: Participant 1

We are currently doing it as I said earlier. My second-born son is taking over the company

17:21 He also trained me at an early stage and I was very much interested in..... (2438:2521) - D 17: Participant 1

He also trained me at an early stage and I was very much interested in the business.

17:22 living something for the family. (2673:2705) - D 17: Participant 1  
living something for the family.

17:24 I had seen situation at Stellenbosch where a lady who owned a large nu..... (2892:3042) - D 17: Participant 1

I had seen situation at Stellenbosch where a lady who owned a large nursery in the Western Cape, her husband was murdered and the business fell apart.

17:25 that was maybe on the back of my mind. (3047:3084) - D 17: Participant 1

that was maybe on the back of my mind.

17:26 I have got competent family members involved in the business. But if a..... (3094:3225) - D 17: Participant 1

I have got competent family members involved in the business. But if anything happen to me, the business will still be sustainable.

17:28 I do not have a formal strategy but informally, (3448:3494) - D 17: Participant 1

I do not have a formal strategy but informally,

17:29 we have appointed my second-born son to take over the business because..... (3495:3639) - D 17: Participant 1

we have appointed my second-born son to take over the business because of his competent skills and the interest he has so far shown in business.

17:30 Family will be around but even then we plan to grow the company and st..... (3642:3801) - D 17: Participant 1

Family will be around but even then we plan to grow the company and still and in order to do that we would have to have competent people to take over positions.

17:31 we have got a manager (my son) here, who is able and very quickly step..... (3806:3897) - D 17: Participant 1

we have got a manager (my son) here, who is able and very quickly step up into that position

17:33 I will still continue to mentor him on a regular basis. (4144:4199) - D 17: Participant 1

I will still continue to mentor him on a regular basis.

17:34 Sooner or later I am going to be completely retired. (4242:4294) - D 17: Participant 1

Sooner or later I am going to be completely retired.

17:35 Very little. I did work for a certain company for 10 years before taki..... (4377:4594) - D 17: Participant 1

Very little. I did work for a certain company for 10 years before taking over my late fathers company and they do have career planning on formal basis. That's basically were I got my experience on succession planning.

17:36 It was done on an annual basis. (4595:4626) - D 17: Participant 1

It was done on an annual basis.

17:37 when I took over the company from my late father was that with the exp..... (4641:4809) - D 17: Participant 1

when I took over the company from my late father was that with the experience that I had from working from another company I had plans already of expanding the business.

17:38 the business was affected in very a positive way because it has grown..... (5004:5135) - D 17: Participant 1

the business was affected in very a positive way because it has grown compared to where it was when I first took over the leadership

17:39 to be competent all the time (5161:5189) - D 17: Participant 1  
to be competent all the time

17:42 Non-communication of who the next leader should (5800:5846) - D 17: Participant 1  
Non-communication of who the next leader should

17:43 disagreements on who should take over the family business. (5862:5920) - D 17: Participant 1  
disagreements on who should take over the family business.

17:46. It has to be formal and signed off by a lawyer I think. (6205:6261) - D 17: Participant 1  
. It has to be formal and signed off by a lawyer I think.

17:47 the successor should be appointed and groomed earlier (6516:6569) - D 17: Participant 1  
the successor should be appointed and groomed earlier

17:48 it should someone who is creative and willing to keep up with all the..... (6575:6667) - D 17: Participant 1  
it should someone who is creative and willing to keep up with all the changes in our economy.

17:49 This should be documented or formally written and signed (6669:6724) - D 17: Participant 1  
This should be documented or formally written and signed

17:50 You can do it with the help of the lawyer I think. (6726:6777) - D 17: Participant 1  
You can do it with the help of the lawyer I think.

17:51 have that person documented formally (7004:7039) - D 17: Participant 1  
have that person documented formally

17:52 The successor has to maintain the business reputation all the time (7360:7425) - D 17: Participant 1

The successor has to maintain the business reputation all the time

17:53 he or she must be ethical and hard working. (7430:7473) - D 17: Participant 1

he or she must be ethical and hard working.

17:54 My second born is very much interested in the business and the business..... (1241:1336) - D 17: Participant 1

My second born is very much interested in the business and the business is already in transition

17:55 My first born is working somewhere and he had no interest in the business..... (1166:1238) - D 17: Participant 1

My first born is working somewhere and he had no interest in the business

17:56 education level also plays a part here. You need to learn how to do it..... (6041:6113) - D 17: Participant 1

education level also plays a part here. You need to learn how to do it.

17:57 It's difficult to sort of have a formal plan (6114:6157) - D 17: Participant 1

It's difficult to sort of have a formal plan

17:58 I couldn't see a business sustainable unless there was some planning in place..... (3958:4036) - D 17: Participant 1

I couldn't see a business sustainable unless there was some planning in place.

17:59 if you do not have a leadership succession plan in place, your business..... (5365:5507) - D 17: Participant 1

if you do not have a leadership succession plan in place, your business will be negatively affected because it will fail when you retire or die

17:60 it ensures sustainability of the business. (677:719) - D 17: Participant 1

it ensures sustainability of the business.

17:61 The business should continue feeding them and their employees as well..... (3227:3334) - D 17: Participant 1

The business should continue feeding them and their employees as well. I think that probably motivated me.

17:62 The successor has to maintain the business reputation all the time and..... (7360:7473) - D 17: Participant 1

The successor has to maintain the business reputation all the time and he or she must be ethical and hard working.

18:2 it requires a successor to work hard in order to make the business suc..... (432:607) - D 18: Participant 15

it requires a successor to work hard in order to make the business successful and sustainable so that even the future generation can also benefit from the same family business.

18:3 it is more about sensitizing us to train our successors with all the l..... (612:752) - D 18: Participant 15

it is more about sensitizing us to train our successors with all the leadership skills that will help them to lead the business effectively.

18:5 They must also participate in making decision concerning the business. (915:984) - D 18: Participant 15

They must also participate in making decision concerning the business.

18:6 it is also about delegating your subordinates to comply to your demand..... (996:1074) - D 18: Participant 15

it is also about delegating your subordinates to comply to your demands fairly.

18:7 Treat everyone fairly and your reward will be successful. (1076:1133) - D 18: Participant 15

Treat everyone fairly and your reward will be successful.

18:10 the business must be treated with integrity and honesty. (1546:1602) - D 18: Participant 15

the business must be treated with integrity and honesty.



18:12 drawing from the experience from my late father, I will introduce the..... (1893:2026) - D 18: Participant 15

drawing from the experience from my late father, I will introduce the successor to the business when they are just at primary school.

18:15 We are also four in our family (2566:2596) - D 18: Participant 15

We are also four in our family

18:17 We were exposed to this business when we were just at primary school. (2783:2852) - D 18: Participant 15

We were exposed to this business when we were just at primary school.

18:18 My parents used to give as different task to do within the company for..... (2853:3090) - D 18: Participant 15

My parents used to give as different task to do within the company for example they would say this Saturday they will be taking stock taking, we will be there with them counting the stocks with the other employees and it used to be funny.

18:19 When we went to high school we continued working for the company even..... (3092:3188) - D 18: Participant 15

When we went to high school we continued working for the company even after completing my Diploma

18:20 I worked for a certain company for five years (3235:3280) - D 18: Participant 15

I worked for a certain company for five years

18:22 He taught me a lot on how to run this business. (3985:4031) - D 18: Participant 15

He taught me a lot on how to run this business.

18:23 I also bought in new ideas when I joined and it was so amazing to see..... (4033:4132) - D 18: Participant 15

I also bought in new ideas when I joined and it was so amazing to see how the business was booming.

18:24 succession in our family is done by training the successor in differen..... (4170:4262) - D 18: Participant 15

succession in our family is done by training the successor in different roles of the company.

18:25 It is done traditionally because usually the first born son is the one..... (4264:4395) - D 18: Participant 15

It is done traditionally because usually the first born son is the one who takes over the business but nowadays things have changed,

18:26 I will consider the family member who is honest, hardworking and more..... (4407:4512) - D 18: Participant 15

I will consider the family member who is honest, hardworking and more interested in growing the business.

18:27 I talk about it every after three months and review it after a year. (4704:4771) - D 18: Participant 15

I talk about it every after three months and review it after a year.

18:28 It is formally documented. (4773:4798) - D 18: Participant 15

It is formally documented.

18:29 Every family member is aware of it since we all signed it in presence..... (4800:4882) - D 18: Participant 15

Every family member is aware of it since we all signed it in presence of the lawyer

18:31 I would not want my family to suffer when I retire (5088:5137) - D 18: Participant 15

I would not want my family to suffer when I retire

18:32 I have to do it for the sake of continuity. (5280:5323) - D 18: Participant 15

I have to do it for the sake of continuity.

18:33 We have got children and workers who fully depend on this business (5324:5390) - D 18: Participant 15

We have got children and workers who fully depend on this business

18:34 I have a passion for this business because we come very far, 50 years..... (5469:5570) - D 18: Participant 15

I have a passion for this business because we come very far, 50 years of existence entails hard work.

18:35 It has educated me, my sibling, and the entire family so it should con..... (5667:5793) - D 18: Participant 15

It has educated me, my sibling, and the entire family so it should continue doing the same for my family generations to come.

18:36 It's also good to have a family member as a leader of family business..... (5794:5968) - D 18: Participant 15

It's also good to have a family member as a leader of family business because, we share the same values and that's the only way we can preserve our wealth within the family.

18:37 this time we used a lawyer and everything is documented. (6211:6266) - D 18: Participant 15

this time we used a lawyer and everything is documented.

18:38 The other thing that we normally do is to train the successor. (6340:6401) - D 18: Participant 15

The other thing that we normally do is to train the successor.

18:39 a new leader will always come with new ways of doing things. (6662:6722) - D 18: Participant 15

a new leader will always come with new ways of doing things.

18:40 Things keep on changing therefore, a new leader will always aim to kee..... (6723:6836) - D 18: Participant 15

Things keep on changing therefore, a new leader will always aim to keep abreast with the things that are trending.

18:41 when I joined this company, I think it improved from where it was beca..... (6852:6975) - D 18: Participant 15

when I joined this company, I think it improved from where it was because I brought in new ideas and my hard work paid off.

18:42 provides the continuation of the family business since the successor w..... (6998:7137) - D 18: Participant 15

provides the continuation of the family business since the successor will always aim at making it more profitable by expanding the company.

18:43 I succeeded this business 20 years ago. During my tenure as a leader,..... (7228:7345) - D 18: Participant 15

I succeeded this business 20 years ago. During my tenure as a leader, I have seen this business grow from where it was

18:44 We have grown substantially with time and reached our goal levels. (7347:7416) - D 18: Participant 15

We have grown substantially with time and reached our goal levels.

18:45 a new leader in most cases, comes up with new ideas which aims at expanding..... (7612:7827) - D 18: Participant 15

a new leader in most cases, comes up with new ideas which aims at expanding the family business and generating more sales which results in yielding more profit and through that, the business becomes more sustainable.

18:47 the escalation of rates and taxes and electricity. Our local production..... (8185:8309) - D 18: Participant 15

the escalation of rates and taxes and electricity. Our local production goods are very expensive than buying imported goods.

18:48 Keeping competitive with bigger stores is not easy, (8076:8127) - D 18: Participant 15

Keeping competitive with bigger stores is not easy,

18:52 when you cannot find a suitable family member to run the business because..... (8665:8829) - D 18: Participant 15

when you cannot find a suitable family member to run the business because some family members may pursue other careers and may not have any interest in the business.

18:54 Choose the successor based on interest (9308:9345) - D 18: Participant 15

Choose the successor based on interest

18:55 try to bring that person into the business so that you take him or her..... (9351:9452) - D 18: Participant 15

try to bring that person into the business so that you take him or her through the transition process.

18:56 by giving them some basic task and when they master that, that's when..... (9471:9586) - D 18: Participant 15

by giving them some basic task and when they master that, that's when you can introduce them to the managerial task.

18:57 Equip them with all the business skills and if possible allow them to..... (9588:9736) - D 18: Participant 15

Equip them with all the business skills and if possible allow them to attend business workshops or they can do some short courses say in management.

18:58 tertiary level say diploma and going up. (9820:9860) - D 18: Participant 15

tertiary level say diploma and going up.

18:59 it helps a lot when one has a qualification in a particular area becau..... (9870:10065) - D 18: Participant 15

it helps a lot when one has a qualification in a particular area because qualification helps in building confidence of a person. They also helps in resolving issues that may arise in the business.

18:60 introduce the successor to the business as early as possible so that t..... (10242:10362) - D 18: Participant 15

introduce the successor to the business as early as possible so that the person learns all the functions of the business.

18:61 The foundation that you will lay will also be very helpful to the succ..... (10364:10439) - D 18: Participant 15

The foundation that you will lay will also be very helpful to the successor.

18:62 equip them with the necessary skills so that they can be able to manag..... (10468:10565) - D 18: Participant 15

equip them with the necessary skills so that they can be able to manage the business successfully.

18:64 Parents should also encourage their children to obtain at least a tert..... (10738:10918) - D 18: Participant 15

Parents should also encourage their children to obtain at least a tertiary education so that they can run the business more successfully when the time comes for them to take over.

18:65 if it is informal definitely there will be problems (11162:11212) - D 18: Participant 15

if it is informal definitely there will be problems

18:66 it is formally documented, at least the problems will be minimal. (11236:11300) - D 18: Participant 15

it is formally documented, at least the problems will be minimal.

18:67 choose a successor based on interest, honesty and hardworking (11305:11366) - D 18: Participant 15

choose a successor based on interest, honesty and hard working

18:68 Age is not a problem as long as the person has got a tertiary qualific..... (11369:11499) - D 18: Participant 15

Age is not a problem as long as the person has got a tertiary qualification, they can be considered to be appointed as a successor.

18:69 All my siblings are working for this company in different departments..... (2683:2780) - D 18: Participant 15

All my siblings are working for this company in different departments but I am the overall manager

18:72 to start with let me give you brief background of how this business wa..... (2030:2296) - D 18: Participant 15

to start with let me give you brief background of how this business was started. My grandfather inherited this business from his father and he happened to be the first born son in that family. Then he passed it on to my farther who also happened to be the first born.

18:73 when the family roles are not stated clearly. (8530:8574) - D 18: Participant 15

when the family roles are not stated clearly.

18:74 shares are not divided equally among the family members.  
(8584:8640) - D 18: Participant 15

shares are not divided equally among the family members.

18:75 when the parents chooses a successor based on favouritism rather than..... (8850:8929) - D 18: Participant 15

when the parents chooses a successor based on favouritism rather than interest.

18:76 Leadership succession planning is like inheritance though it differs i..... (113:426) - D 18: Participant 15

Leadership succession planning is like inheritance though it differs in the sense that when you retire or die you leave the business for the children or siblings so that the business continue running and catering for the family needs as years goes by and they should be able to pass it on as well to their children

18:77 the family will have a stable income even if something happen to you..... (1274:1382) - D 18: Participant 15

the family will have a stable income even if something happen to you. The workers will also continue working.

18:78 Financial documents must be available for everyone to reconcile.  
(1603:1668) - D 18: Participant 15

Financial documents must be available for everyone to reconcile.

18:79 Transparent is also very important for family businesses in the sense..... (10567:10735) - D 18: Participant 15

Transparent is also very important for family businesses in the sense that each and every member of the family is supposed to be aware of how the business is functioning

18:80 Leadership succession provides the continuation of the family business..... (6976:7137) - D 18: Participant 15

Leadership succession provides the continuation of the family business since the successor will always aim at making it more profitable by expanding the company.

18:81 generating more sales which results in yielding more profit and throug..... (7712:7826) - D 18: Participant 15

generating more sales which results in yielding more profit and through that, the business becomes more sustainable

18:82 choose a successor based on interest, honesty and hardworking  
(11304:11366) - D 18: Participant 15

choose a successor based on interest, honesty and hard working





## Editing Services Certificate

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