Post-Succession Predecessor-Successor Interactions and Their Relational and Organizational Outcomes

by

by

Sinan Caykoylu

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Name: **Sinan Caykoylu**

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Examining Committee:

Chair: **Dr. Colleen Collins**
                            Associate Dean, Beedie School of Business

                            Dr. Carolyn P. Egri
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                            Professor, Beedie School of Business

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                            Dr. Torsten Pieper
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                            Dr. Llyod Steier
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                            Professor, University of Alberta School of Business

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Abstract

Family businesses are an indispensable part of the local and global economy, and yet they suffer from high organization mortality rates. Both academics and practitioners agree that succession in family business is a high-risk process that contributes significantly to the vulnerability of the organization. The psychological transition from one role to another that the actors go through during a succession carries significant risks and opportunities for family businesses. The general view in the field is that succession in family businesses is a process during which incumbents gradually decrease their involvement in organizational activities while the successors increase theirs. Consequently, it is assumed that once the transfer of managerial responsibility and authority is complete, the predecessor quickly and quietly fades away from the picture. Although this view of succession may be true for some organizations (i.e. non-family firms), anecdotal evidence indicates that this is not the case for the majority of family firms where there are on-going and overlapping business and kinship relations. This research shows that post-succession predecessor and successor interactions do not end with the transfer of title, authority and/or responsibility from one to the other. Instead, it continues in various shapes and forms, affecting predecessor-successor relationships and impacting the business.

The model developed by this research, using Grounded theory methodology to collect and analyze the data, shows that as long as the successors perceive that predecessors have some sort of connection (real or imagined) with the organization, predecessors' post-succession actions will matter to them. Successors will react to their predecessors' actions positively or negatively depending on whether predecessor actions compete or consolidate successors' managerial control over the organization. In addition, the model identifies factors that influence both predecessors' and successors' behaviors, as well as the individual and organizational outcomes of their interaction.

Primary data was collected through twenty-six participants from nineteen Turkish family businesses. Nine of the participants were predecessors and seventeen were successors. The different points of view provided by collecting data from varying groups and having the theory grounded in real-life experiences allowed the emerging framework

to be more comprehensive and well-rounded. The discussion about the implications and suggestions of the research will offer researchers the opportunity to expand upon the findings and test them in different contexts, as well as provide practitioners with a framework to deal with this issue in differing real-life cases.

Dedication

This work is dedicated to both my grandfather, Professor Ismail Cerrahoğlu and my father, Dr. Emin Suha Çayköylü.

It was through my grandfather I came to love and respect academia. His unwavering effort to learn and share his knowledge with others has been a role model for me, which I hope to emulate as long as I am alive.

It was my father who encouraged and supported me during this endeavor. His love and faith in my abilities enabled me to pursue this task with confidence. He has been a friend, assistant and instructor to me but most importantly, he has been a supportive father all along the way.

I am eternally grateful to both.

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Table of Contents

List of Tables

List of Figures

1. Introduction

1.1. Purpose and Contribution

Family-owned and family-controlled organizations come in a range of sizes and legal structures, operate in every industry, represent over 80-98% of all businesses in the world's free economies, employ 85% of the working population around the world and comprise 35-40% of the *Fortune 500* companies (Poza, 2007). Despite the vital role they play in local and global economies, family businesses are prone to high mortality rates. It is estimated that only one-third of family businesses survive into the second generation and only a fraction (15%) survive to the third generation (Beckhard and Dyer, 1983; Birley, 1986; Ward, 1987). This fragility of family businesses often has been attributed to poor leadership successions and has attracted much research attention (Handler, 1994; Miller, Steier and Le-Breton-Miller, 2003; Neubauer and Lank, 1998; Zahra and Sharma, 2004). Events, interactions and outcomes in family businesses prior to the transfer of the authority and responsibility from one generation to another is extensively researched and commented on by popular press, writers, practitioners and researchers, yet only a few attempts have been made to examine what happens to the family business and the individuals who are involved with it after a so-called completed succession, especially when the previous generation still has the potential capability to exert pressure and influence on the next generation. The purpose of this research is to explore and understand whether the transfer of the authority and responsibility from one generation to another is truly the end of the succession process in family businesses or whether there are post-succession events and interactions that take place between the previous and the next generation that could impact the wellbeing of the organization. For the purpose of this study, a family business is defined as an organization owned and managed by at least one family member with the intention to transfer the business to the next generation of the family.

Although succession in family businesses leads to significant changes in their post-succession goals, governance roster and the roles family members play, an

overwhelming majority of studies on this topic focus on what happens before and during the succession (see Le Breton-Miller, Miller and Steier's literature review, 2004), and seldom examine the changes in governance after the transition. The majority of previous research portrays succession in family businesses as a process where, over time, incumbents should decrease their involvement levels in the firm so that the next-generation can gradually assume more executive powers in preparation for the day when the transfer of total control occurs (e.g. Gersick, Lansberg, Desjardins and Dunn, 1999; Handler, 1990; Ibrahim and Ellis, 1994). The assumption is that once successors acquire the official title, their predecessors will quickly and quietly remove themselves from the picture and fade away into history. This assumption about the succession process may be more common in organizations that are highly structured and guided by formal rules and guidelines, however empirical and anecdotal evidence indicates this to be the exception rather than the norm for family businesses (Poza, 2007).

Empirical researches, case studies, magazine articles, newspaper stories, official and unofficial biographies about family businesses indicate a different reality (Gordon and Nicholson, 2008; Rosenblatt, de Mik, Anderson and Johnson, 1985). A number of recent studies argue that predecessors do not always quickly and quietly remove themselves from the family business scene (Aronoff, 1998; Pardo-del-Val, 2009). Instead, they often continue to interact with different stakeholders even after succession officially takes place (Brun de Pontet, Wrosch and Gagne, 2007; Cadieux, 2007; Harvey and Evans, 1995; Sharma, Chua and Chrisman, 2000; Sonnenfeld, 1988).

The few recent studies on this issue have shown that many predecessors tend to continue to be involved with the family business in different capacities with the intention either to protect the status quo or change the context within which the family members and the organization operate (Cabera-Suarez, 2005; Cadieux, 2007; Chung and Yuen, 2003; Feltham, Feltham and Barnett, 2005). For example, Sharma et al. (2000) argue that succession planning should clearly define what roles predecessors would play after the succession, because departing incumbents in family firms continue to be involved, if not actively in the business, at least as senior family members. Stavrou (2003) found that most parent-predecessors, who had technically retired, desired to stay involved in their firms and continue to advise their heirs on how to manage in a genuine attempt to be helpful to the firm and the offspring. Using anthropological theory, Grote (2003) suggests that predecessors do not want to sever their ties with the family business after

the succession because it reminds them of their own mortality and because the firm has become a surrogate family that predecessors do not want to abandon. Similar studies, stories in the popular press and biographies all indicate that the transfer of the top managerial title is not the end of the succession process for many predecessors in family businesses (Gordon and Nicholson, 2008; Kets de Vries, Carlock and Florent-Treacy, 2007; Rosenblatt et al., 1985). The interlocked spheres of family, management and ownership in family businesses make it possible and easier for predecessors to find alternative ways to continue to be involved with the family business (Harvey and Evans, 1995). This idiosyncrasy about the family business could be summarized as "even if you take the old man (figure of speech) out of the business, you cannot take the business out of the old man." If predecessors can and often do continue to be involved with the family business post-succession, it becomes important to understand how different actors like predecessors and successors interact with each other in this time period and what the outcomes of their interaction are.

Another objective of this research is to respond to Giambatista, Rowe and Riaz's (2005) call for more nuanced executive succession studies that take into consideration contextual differences between organizations. Based on their extensive review of the executive succession literature, these authors concluded that succession might be an important issue for all types of businesses, but that the contextual differences among organizations creates unique challenges for actors involved in the process. Thus, researchers should adopt a more systems level perspective to understand how different aspects of the succession process operate for different types of organizations (Giambatista et al., 2005).

My review of the general executive succession literature showed that a distinction between non-family businesses and family businesses was rarely made. Overlooking or ignoring the succession challenges that family businesses face can lead researchers to miss crucial pieces of the bigger picture. Succession models developed within the family business literature are rarely cited or discussed in the general executive succession literature. Yet the family business succession literature has much to offer to the general discourse of executive succession. The general executive succession literature is mostly concerned with organizational outcomes of an executive succession (Kesner and Sebora, 1994) and does not provide much insight as to what happens between actors during the succession process and the factors influencing their behavior.

In contrast, the succession in family business literature is rich with theories explaining how personal and contextual factors affect the involved actors (Sharma, 2004) and can accelerate or slow down the transfer of title, responsibility and/or authority (Venter, Boshoff and Mass, 2005).

Although the family business succession literature frequently uses theories and propositions developed by researchers in other fields, the opposite cannot be said for its findings (Bird, Welch, Astrachan and Pistrui, 2002; Zahra and Sharma, 2004). This is partly because some believe being a family business should be a temporary phase for the firm and if the intention is to grow and become a professionally run organization, the connection between the "the family" and "the business" must be significantly limited or severed (Swartz, 1989). Another reason is that many family business succession studies do not clearly articulate how they contribute to the general succession discourse. However, being part of the general executive succession discourse is important because this approach will ensure that the theoretical insights being developed are applicable to a large majority of business enterprises in the world, which family firms comprise (Zahra and Sharma, 2004). In addition, this will also aid the field in gaining deeper insights and more legitimacy in the broader academic arena (Elsbach, Sutton and Whetten, 1999).

This research aims not only to contribute to the family business succession literature but also to be a part of the general executive succession discourse by providing a model that can be modified and used by different types of organizations facing similar contextual issues. Familial relationships between outgoing and the incoming generations in family businesses make it easier for predecessors to continue to be involved with the organization even after the official transfer (Harvey and Evans, 1995). One might assume that the lack of familial relationship between incumbents and successors in non-family businesses would mean that once the transfer of the official title is complete, predecessors and successors would not continue to interact with each other. Yet, recent research shows that the number of non-family businesses where the predecessors continue to be involved with organization and interact with the successor is growing (Evans, Nagarajan and Schloetzer, 2010; Karlsson and Neilson, 2009; Quigley and Hambrick, 2012). Post-succession predecessor involvement in non-family businesses is a phenomenon that has attracted attention only in recent years. By examining the events and interactions that take place between predecessors and successor in family businesses, we can draw parallels and use this as a starting point to

better understand the outcomes for non-family businesses dealing with post-succession continued predecessor involvement.

What differentiates this research from previous family business succession studies is that it highlights the reality that to be prepared for the inevitable changing of the guard from one generation to the next, one must also be prepared to deal with the events and interactions that take place during the post-succession period between the actors involved in the process. The proposed framework will indicate why and how predecessors are actively involved with the family business post-succession, and how successors' perception about their predecessors' post-succession behavior affects their response. In addition, the proposed framework will show how the continued post-succession interactions between the dyads affect the quality of the relationships between predecessors and successors and impact the growth and sustainability opportunities of the family business. To summarize, the theoretical model developed by this research can help explain what happens between predecessors and successors after the official transfer of the title and the impact their interaction has on the organization.

1.2. Motivation

The inspiration for this research is based on my personal experience with family businesses. Most of my relatives owned and operated family businesses and I started my professional career at one. Among all the idiosyncrasies of family businesses presented, none fascinated me more than the events and interactions faced and displayed by different generations of family members in governance of the firm. Stories from the popular press like Ford Motor Company CEO Allan Mulally having a hard time telling his predecessor Bill Ford Jr. that having him around after the succession created inertia for change (Naughton, 2007), and personally eye-witnessing a retired father (predecessor) scolding his son (successor) for the way the business was run ignited my curiosity to examine why governance issues between the previous and next generations usually do not end with the succession event. It is this curiosity that motivated this research to explore the relationship between the predecessor and the successor after the succession and to examine possible factors that might impact it.

Discussions with colleagues, practitioners and professional business people have furthered my confidence and interest to pursue this research. In addition,

prominent researchers have identified the need for more research in this area to better plan for the actors' roles post-succession (Cadieux, 2007; Chrisman et al., 2009; Harvey and Evans, 1995; Sharma et al., 2000; Stavrou, 2003). Finally, I believe that the discussion of implications, limitations and opportunities for future research should be useful to others studying top executive succession in family businesses. Motivated by these goals and in pursuit of knowledge, I decided to conduct separate interviews with both predecessors and successors in family businesses to learn the events, actions and interactions that took or still continue to take place in their organizations.

1.3. General Methodological Approach

To achieve the intended goal for this research, a "grounded theory" (Glaser and Strauss, 1967; Strauss and Corbin 1990a, 1990b, 1998) approach was used. This qualitative methodology was chosen because the objective of this dissertation was not to test a theory, but rather to develop theoretical knowledge regarding post-succession events and interaction in family business. Grounded theory is suitable for researchers who are trying "to develop account of the general features of a topic while simultaneously grounding the account in empirical observations or data" (Martin and Turner, 1986, p.141). The insights obtained through this approach are grounded in real-life evidence, and the perspectives of the actors who are being studied (Pieper, 2007).

To accurately determine the true nature of the interaction between predecessors and successors, information and interpretations about the post-succession period of the family business were collected from both groups. Perceptions we hold about others have the potential to influence our behavior towards them both positively or negatively (Smeester, Wheeler, Kay, 2010). To capture the prevailing perspectives it is necessary for researchers to use multiple-respondent groups (Sharma, 2004). Gathering firsthand information about the interacting predecessors' and successors' thoughts about each other and how they interpreted each other's behaviors provided the opportunity to determine converging and diverging points of view. Closer examination of the converging and diverging perspectives between predecessors and successors made it possible to identify the major factors that influenced each group when interacting with the other.

Information from both predecessors and successors was collected through unstructured interviews. Using interviews to collect data provided the opportunity to

gather in-depth information about the events and interactions that took place in family businesses post-succession. The decision to obtain the sample from Turkey was based on availability to access valuable resources. The free market favoring laws and regulation of the country, the size of the economy and strong integration with western and global markets encourages me to believe that the findings of this research will be of interest for a wider audience.

1.4. Structure of the Research

This research is structured as follows. The next chapter, chapter two, presents a discussion of definitions important to the study and, through the research questions, provides a review of the literature. The methodology chapter (Chapter 3) explains the rationale for choosing a qualitative methodology and discusses its suitability for this type of research. It then provides a summary of the grounded theory approach as envisioned by Strauss and Corbin (1990a, 1990b, 1998), which is the underlying research method for this dissertation, so that the readers of this manuscript can familiarize themselves with the steps carried out during the research. Finally, the chapter reports the sampling criteria, sampling process, data sources and analysis procedures. The results of this research are presented in Chapter 4, where post-succession predecessor and successor behaviors are examined to show the nature of their dyadic interactions that continue after the generational transition. The effects that perceived functionality of the continued post-succession interactions between individuals have on the relational and organizational outcomes are also presented in this chapter. Following Suddaby's (2006) recommendations for presenting grounded theory results, concepts are described first, and then the nature and relationship between these concepts are discussed while continually providing supporting evidence from primary and secondary sources. Chapter 5 discusses the findings and implications of this research for theory and practice in the field of family business. Limitations of the research and future research ideas also are presented in this chapter.

2. Literature Review and Research Questions

This chapter is a product of the exploration stage of this research. In this stage, a thorough search was conducted on executive succession in the general and family business literature. The aim of this search was to take inventory of recent work that has been done in order to identify areas where further exploration can still contribute to the field and yield practical implications. From the review it became clear that executive succession is a key issue for businesses, especially family businesses. Despite agreement on the importance of the issues, there is no unity regarding how the process should be handled and which consequences the focus should be on (Giambatista et al., 2005; Kesner and Sebora, 1994; Le Breton-Miller et al., 2004). This fractured view of the field is partly due to various disciplines (i.e., organizational studies, strategy, finance and accounting) approaching the issue from different angles, as well as the contextual differences each organization faces (Giambatista et al., 2005).

What makes family business an important venue in which to examine executive succession is that they are the leading type of organization across the globe, they comprise the backbone of the global economy (e.g. Gonzalez, 2006; Khanna and Yafeh, 2007; Morck, Wolfenzon and Yeung, 2005), but suffer from high failure rates (Beckhard and Dyer, 1983; Birley, 1986; Ward, 1987). According to researchers and practitioners, inability to manage the succession process is a primary reason for family businesses to fail (e.g. Handler, 1994; Miller, Steier and Le-Breton-Miller, 2003; Neubauer and Lank, 1998; Zahra and Sharma, 2004). Schwass (2005) notes, "arrival of a new leadership generation is, without doubt, the most critical time for any family business, irrespective of size, strategic circumstances or performance" (p.35).

This chapter is organized to first clarify what is meant by a "family business." It is commonly agreed that family involvement is the main reason why some types of organizations are categorized as family businesses (Astrachen, Klein, and Smyrnious, 2002). However, there is no agreement as to how much and what type of family involvement is needed to be able to categorize a business as a family business.

Although in the behavioral sciences it is difficult to obtain widespread acceptance for a single definition (Hoy and Verser, 1994), it is important to have some agreement on certain classifications (Katz and Brockhaus, 1993). Definitional agreements help readers, both expert and novice, better follow the research methodology and appreciate the conclusions drawn from the study (McKelvey, 1982).

In order to report developments in the last two-decades and identify general areas that need further research; after clarifying what is meant by a family business, the second part of the chapter will provide a summary review of the general executive succession literature first, and then, the family business succession literature. In the third and final part, the specific research questions that have emerged from the literature review will be discussed.

2.1. Family Business

Many researchers believe that family businesses are significantly different in certain ways than non-family businesses (Chrisman, Chua and Sharma, 2005). Researchers generally agree that in some shape, form or way family involvement is the reason for this differentiation (Astrachan et al., 2002; Chua, Chrisman and Sharma, 1999). However, despite this initial agreement, this concurrence among researchers dissolves as soon as they try to define what aspects of "family involvement" make an organization a family business (Chua et al., 1999). There are numerous definitions of what a "family business" is (Brockhaus, 2004; Sharma, 1997; Upton, Vinton, Seaman and Moore, 1993). Despite calls to prevent further proliferation of definitions and to start reconciliation efforts by focusing on the commonalities that current approaches have, the field is still full of differing descriptions for family business (Bird et al., 2002; Sharma, 2004).

According to Chua et al. (1999), most of the numerous definitions are operational in nature and focus only on the aspects of the business that are not common among non-family businesses: family involvement with the management, ownership structure and intergenerational succession. For example, Lansberg, Perrow and Rogolsky (1988) provide a simplistic view and define family businesses as organizations "in which members of a family have a legal control of ownership" (p.2). Lyman (1991) takes this definition one step further and adds that at least one family member should be employed

actively within the organization. Carsrud (1994) and Neubauer (2003) argue that members of an emotional kinship group should control both the ownership and the policy-making functions of a firm before it could be called a family business. Some researchers are more specific in defining the ownership and management issues. For example, Ibrahim and Ellis (1994) state that a single family should own 51% of the business, that at least two family members should be involved with the management of the organization, and that intergenerational transfer of the top position should be anticipated. Schulze, Lubatkin, Dino, and Buchholtz (2001) are less stringent and argue that if two or more family members own 15% or more of the business, employ family members, and intend to retain family control over the business, that this would be enough to consider that firm a family business. However, simply listing certain components of family involvement and intergenerational succession is not enough to differentiate between family and non-family businesses. Some of these conditions can be present in organizations that do not define themselves as a family business. Additionally, these types of definitions can unjustly exclude organizations that identify themselves as family businesses but do not meet the set criteria (Chua et al. 1999).

Operational definitions are of course needed to delineate between research samples, but their accuracy could only be evaluated if a theoretical definition is present to guide them (Chua et al., 1999). The theoretical definition sets the standard, and the operational definition applies those standards to the research. That is why the standard-setting theoretical definition utilized by this research is offered in this chapter, while the adapted, operationalized version is presented in the methodology section under the sampling criteria subheading.

The common thread among all these different attempts to define family businesses is "family involvement." For some, family involvement is sufficient to make a firm a family business. However, for others, family involvement must be directed toward behaviors that produce certain distinctiveness before it can be considered a family firm (Chrisman et al., 2005). In other words, "two firms with the same extent of family involvement may not both be family businesses if either lacks the intention, vision, familiness, and/or behavior that constitute the essence of a family business" (Chrisman et al., 2005, p. 557). For example, some researchers suggest that in family businesses, family involvement significantly influences the strategic direction of the organization (Davis, 1983; Handler, 1989). Other researchers point out the fact that unlike in non-

family businesses, families in family firms desire their involvement and/or influence to be rather continuous (Churchill and Hatten, 1987; Litz, 1995; Ward, 1997). Thus, the occurrences or the continued anticipation of an intergenerational transfer of control is an essential piece of information needed to differentiate family business from the rest. Finally, there are researchers who try to explain the unique and intertwined resources family involvement brings to the table, so to speak, by using resource-based view and agency theory (Habbershon, Williams, and MacMillan, 2003).

Using the resource-based view, Sirmon and Hitt (2003) distinguish between five sources of family business capital: human, social, survivability, patience and governance structures, and argue that family firms utilize their resources differently than non-family firms. The unique characteristics that family businesses provide include cost advantages and the ability to develop social capital and encourage entrepreneurial investments that no other organization can replicate easily (Carney, 2005). Family involvement with the organization and its connections to the larger community can influence resource accumulation for the business both positively and negatively (Kellermanns, 2005). Researchers using agency theory (e.g. Greenwood, 2003; Schulze et al., 2001; Schulze, Lubatkin and Dino, 2003; Steier, 2003) try to differentiate family businesses from other types of organizations, and tend to do so by focusing on the higher levels of altruism in family businesses. For example, Becker (1974) argues, "family members are motivated to maximize family income and consumption, even if their welfare depends on their own consumption alone" (p. 1080). Researchers argue that altruism is valuable for family businesses because it promotes and sustains the family bond (Schulze et al., 2001). Strong bonds allow family businesses to continue their commitment towards projects, networks, strategies and goals over periods of time that non-family businesses cannot (Chrisman, Chua and Litz, 2004). On the other hand some researchers have argued that altruism originating from family involvement could lead to free-riding problems and actually create unmanageable agency costs, rather than remove it for family businesses (Schulze et al., 2003; Schulze et al., 2001). However, not all researchers share the same negative conclusions that altruism creates agency costs for family businesses (Chrisman et al., 2005). For example, Eaton, Yuan, and Wu (2002) suggest that reciprocal and symmetric altruism can control agency problems and even provide a competitive advantage.

To better understand the potential of family influence and explore under what conditions it is exercised and to what effect, Astrachan et al. (2002) developed the Family Influence through Power, Experience and Culture (F-PEC) scale. What makes the F-PEC scale unique is that unlike other definitions or categorizations, it does not dichotomize firms into either family or non-family businesses (Klein, Astrachan and Smyrnious, 2005). Instead, the F-PEC scale examines and measures the influence a family has on a business using power, experience and culture channels. The scale is designed to encompass a wide variety of different types of family businesses without discriminating based on the ownership structure, governance model, transfer intentions or unique advantages and disadvantages associated with family involvement. Instead, this measure leaves it to researchers to decide what level of family influence in a business is reasonable enough to differentiate family from non-family businesses (Pieper, 2007).

This research utilizes the theoretical definition presented below, developed by Chua and his colleagues (1999):

> "The family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (p. 25)."

The above definition was adopted because it covers all of the above theoretical foci; it is inclusive as well as conceptually and empirically verified.

2.2. Executive Succession

Executive succession refers to the transfer of management, ownership, authority and/or responsibilities at the highest level of the organization from the incumbent to the successor (Brady and Helmich, 1984). It is a challenging but an inevitable event that all types of organizations must eventually go through (Kesner and Sebora, 1994). What makes this event special and significant for an organization is that key executives, like CEOs, have a pervasive impact on the firm (Pfeffer, 1981), they can shape the goals of an organization and determine the strategies to achieve them (Finkelstein and Hambrick, 1996). Successions at the executive level signal change in the strategy, structure,

political climate and economic outcome of the organization, affecting every stakeholder of the organization (Giambatista et al., 2005; Kesner and Sebora, 1994; Steier and Miller, 2010). This is not to say that changes at lower level managerial positions cannot be influential; however, the focus of this research will be on changes at the highest level (i.e. CEO) because as Kesner and Sebora (1994) note, "few, if any, transitions at other organizational levels have as profound an impact either inside or outside the firm" (p.329).

When it comes to executive succession, the focus is on three distinct parts of the event: incumbent replacement decision, availability of a successor, and a procedure to transfer the business responsibilities from the current leader to the new one (Berke, 2005). Review of the literature shows that the field has moved on from simply asking whether executive succession helps or hurts organizations and/or their stakeholders, to understanding when the incumbent CEO should be replaced, who should be chosen as the successor and how this transition should happen, all with the ultimate purpose of discerning the consequences of these decisions under various contingencies (e.g. Giambatista et al., 2005; Karaevli, 2007; Kesner and Sebora, 1994). However, there are still significant differences in observations and interpretations regarding how the three individual parts of the transition and contextual factors might affect the consequences of executive succession (Giambatista et al., 2005; Ip and Jacob, 2006; Kesner and Sebora, 1994).

Executive succession for family business is especially important and challenging. In family businesses, the subsystems of family and business are in an interlocked relationship (Davis, 1968), which increases the complexity of management problems faced by these organizations when selecting, developing, and compensating new executives for the succession (Astrachan and Kolenko, 1994; Beckhard and Dyer, 1983; Kepner, 1991; Tagiuri and Davis, 1992). Based on their longitudinal research among entrepreneurial family businesses, Steier and Miller (2010) concluded that governance roster, roles, political structures, behaviors and the climate surrounding these organizations all changed with succession. For some researchers smooth succession in family businesses is an oxymoron (Davis, 1983) and they suggest that the root of many problems faced by family businesses is related to their succession issues (Lane, 1989; Sharma, Chua and Chrisman, 2000). Ayres (1990) noted that helping the family business overcome succession issues effectively and efficiently is the most valuable

contribution the previous generation can make to the next. Although succession is a popular topic within the family business literature (Bird, et.al., 2002; Sharma et al., 2000), researchers still claim, what we know is far less than what we do not know regarding the generational transfer in family businesses (Venter, Boshoff and Mass, 2005).

The following literature review will summarize developments in the field and identify areas that would benefit from further research. These studies will be presented following the format of general to contextual. First, research on general executive succession will be presented, followed by studies from the family business literature. Presenting studies this way provides the opportunity to discover specific challenges generally faced by family businesses during successions, and allows the contribution of this research to be better framed with regards to the general field and the family business literature. .

2.2.1. *Consequences of Executive Succession*

In exploring the impact of executive succession, researchers mainly focus on showing the changes in organizational performance, strategy and individual performance. To explain the changes in organizational performance, researchers generally direct their attention to the financial results of the organization (Hill, 2005; Kato and Long, 2006; Shen and Cannella, 2003; Zhang and Rajagopalan, 2004). Preference for utilizing financial measures stems from the fact that most executive successions are initiated due to poor financial performance, and that financial measures provide a common language for analysis and comparison among organizations and studies (Buozite-Rafanaviciene, Pundziene and Turauskas, 2009). The most examined financial outcomes are changes in Return on Assets (ROA) (e.g. Harrison and Fiet, 1999; Helfat and Bailey, 2005; Huson, Malatesta and Parrino, 2004; Shen and Cannella, 2002; Tushman and Rosemkopf, 1996) market value (e.g. Graffin, Carpenter and Boivie, 2011; Wiersema, 2002; Zhang and Rajagopalan, 2004), and profitability (e.g. Evans, Nagarajan and Schloetzer, 2010; Kato and Long, 2006). Despite being relatively easy to collect, analyze and compare, financial performance measures can be influenced by numerous other internal and external factors that the researcher might not be aware of or control for. In addition, there is no agreement in the field about the time span (pre- and post-succession event) for measuring the impact on financial performance. Hence,

some researchers (e.g. Brickley, 2003; Pitcher, Creim and Kisfalvi, 2000) argue that although financial performance measures are frequently used to predict CEO turnover, these alone cannot provide conclusive evidence regarding the true impact of executive succession.

Examining the strategic consequences of executive successions provides a more direct way to observe the actual differences for the organization and its stakeholders brought about by changes in leadership. Since the change in organizational strategy largely depends on a single individual, namely the CEO, there would be less concern that the consequences are initiated by other factors. Executives, especially CEOs, can shape an organization's strategy. Thus, when an executive is replaced, this signals that the organization's competitive behavior, performance benchmarks and growth policies will be re-evaluated and/or changed by the successor (Finkelstein and Hambrick, 1996). CEO succession leads to strategic change because they introduce new ways of thinking, abilities, skills, knowledge, technologies and networks when deciding future strategies for the organization (Lant, Milliken and Batra, 1992). New CEOs change organizational strategies by formalizing new beliefs about the internal and external environment, setting new boundaries on acceptable strategic behaviors and defining and measuring critical performance variables (Simons, 1994). To show the difference in consequences, Wiersema (1995) compares the level of restructuring, the amount of divestment from strategic business units and the level of dependence on core businesses among these organizations as initiated by the new CEOs who came to power through non-routine executive successions versus routine executive successions. In their conceptual work, Fondas and Wiersema (1997) try to show that prior experience of the succeeding CEO is relevant by discussing the potential implications the new strategic direction will draw for the organization. To determine the significance of the new CEO's values, some researchers have studied whether they act as a catalyst for strategic change or not (Datta, Rajagopalan and Zhang, 2003; Shen and Cannella, 2002; Yokota and Mitsuhashi, 2008). Boeker and Wiltbank (2005) explain how organizations go through different life stages, and that for each stage there is a need for new strategy; thus, executive successions could be used as a means to update the necessary strategy. Westerberg and Wincent (2008) examined CEO succession in small firms by measuring firm profitability, productivity, growth in sales, and growth in market share. Khumalo and Harris (2008) show the importance of succession planning and discuss the impact on the

organization's production and competitive strategies. Wen (2009) examines the extent of restructuring (i.e. downsizing and hiring) in poorly performing organizations to determine the relationship between successor type and post-succession strategic change.

Researchers in the general executive succession field mainly focus on explaining organization-level consequences and context of executive succession (Kesner and Sebora, 1994). The few researchers who have investigated the process and the effects at the individual-level discuss the impact of executive succession by examining the ambiguity levels, number of conflicts and turnover intentions of employees (Ballinger and Schoorman, 2007; Friedman and Saul, 1991; Trice and Beyer, 1993). In addition to employee frustration, Katz (2000) studies the external customer frustrations caused by executive successions. Ballinger and Schoorman (2007) examine the individual affective reactions to leadership succession, influence on work attitudes and behaviors. Many researchers, due to the paucity of empirical research at the individual level, tend to make assumptions based on organizational level consequences (Ballinger and Schoorman, 2007).

2.2.1.1. Consequences of executive succession for family businesses

The unique nature of family businesses places managing family members in a position where they can pursue not only economic goals, but also objectives that reflect the ideals and desires of the family system (e.g. Chrisman et al., 2010; Gomez-Mejía et al., 2007). In non-family organizations, the consequences of executive succession are mainly measured based on economic goals because investors want to maximize profits and ensure that the transition at the executive level will improve and not hurt their return on investment (Buozite- Rafanaviciene et al., 2009). However, in family businesses the myriad of relational, emotional and family factors can be intertwined with the financial and legal aspects of executive succession (Carlock and Ward, 2001; Hughes, 2004). The high level of control or influence a family has over the organization can allow managing family members to pursue a "warm hearts, empty pockets" policy when making managerial, strategic and investment decisions, which places economic outcomes in a secondary position in order to protect family harmony, ensure continued family control over the organization or provide employment opportunities for family members (Sharma, 2004, p.7). Since continued control of the family business might trump profitability concerns, an alternative way to determine the success of the

succession process would be to look at other criteria such as: (a) growth rate of the organization, (b) whether it survives the generational transition, and (c) whether the new successor can hold on to the position (Dyck et al., 2002; Miller et al., 2003).

However, since family businesses could have several goals (financial and non-financial) that can change over time depending on the family's preferences and needs (Sharma et al., 2004), reporting consequences of the succession only in financial or strategic terms might not represent an accurate picture for these organizations (Sharma, Chrisman and Chua, 1997; Sharma et al., 2001). The personal nature of family influence and difficulty in collecting objective financial data from non-publicly traded firms has led a respectable number of researchers to examine "satisfaction with the process" as an indicator for effective succession (Venter et al., 2005). The argument for this approach is that if the stakeholders of the process feel that the transition is not in their interest and they are not satisfied with it, this could eventually lead to negative outcomes both for the organization and other stakeholders (Handler, 1989; Sharma et al., 2001). Hence for this research if the stakeholders perceived that the succession process contributed to the strength and longevity of the organization, then the succession was consider to be a success (i.e. Goldberg, 1996; Harvey and Evans, 1995; Santiago, 2000; Venter et al., 2005).

2.2.2. Incumbent Replacement

In respect to executive successions understanding both the antecedents and consequences of involuntary turnovers, in which executives are dismissed or forced out of the organization for various reasons (Shen and Cho, 2005) is important. There is a well-established negative relationship between the organization's financial performance and the likelihood of an involuntary CEO turnover (Buoziute-Rafanaviciene et al., 2009; Giambatista et al., 2005; Huson et al., 2004, Kesner and Sebora, 1994; Parrino, 1997; Wiersema, 2002). When a firm changes strategy, it is optimal to change the CEO as well (Casamatta and Guembel, 2010). Similarly, life cycle theory asserts that, in new ventures, growth concerns are also a major reason to replace CEOs, even if they are the founder (Boeker and Wiltbank, 2005). Both low and high growth rates trigger involuntary CEO turnovers in organizations, especially if there are strong and/or large numbers of investors (Boeker and Wiltbank, 2005). Low growth signals that the CEO cannot manage the operation efficiently and effectively, while a high rate of growth signals that the

organization is moving into a new phase, and that different managerial capabilities will be needed other than those that the current incumbent can offer. Organizational theorists and financial economists have used several distinct theoretical perspectives to explain how lower-than-expected financial performance and growth rates have led to involuntary executive turnover (Shen and Cho, 2005). Researchers using the organizational adaptation view argue that when current CEOs cannot follow and adjust to the changing environment, this leads to a decrease in the organization's financial performance and a lower growth rate, signaling to powerful stakeholders (i.e. investors, board members, stockholders) that there is a need for a change at the executive level (Keck and Tushman, 1993; Westerberg and Wincent, 2008; Wiersema and Bantel, 1993). Proponents of agency theory indicate that executives are hired to satisfy the demands of the stockholders, and that when they cannot meet the stockholders' demands, executives should be dismissed and replaced with more capable successors (Walsh and Ellwood, 1991).

In contrast, some researchers believe that involuntary CEO replacement is nothing but a scapegoating ritual (Gamson and Scotch, 1964). In this view, the assumption is that organizations are constrained by their external and internal environments; thus, influence executives can exert over organizational outcomes, demanded by stakeholders, are relatively disproportional to the performance pressure they face (Shen and Cho, 2005). When the performance pressure increases to a point that it can no longer be ignored, replacing a single executive or scapegoating becomes an easy alternative to dealing with all the constraining external and internal issues. Research shows that executives who are demographically dissimilar are more likely to be scapegoated (Wagner, Pfeffer and O'reilly, 1984).

Conflicting findings have also arisen about predicting and observing the consequences of involuntarily replacing a CEO. Some researchers have predicted that involuntary executive turnover would lead to improvements in organizational performance (Hambrick and Fukutomi, 1991; Tushman and Rosenkopf, 1996; Virany, Tushman and Romanelli, 1992). For example, in some companies, organizations significantly downsized their operations, employee numbers, capital expenditures, and total assets following an involuntary CEO replacement, which was in turn followed by a significant improvement in the operating performance of the firm (Denis and Denis, 1995). Yet, organizations that replaced their CEO due to voluntary retirement saw no

significant improvement in financial performance (Denis and Denis, 1995). There are also reports that involuntary CEO successions initiated by poor performance can yield significant stock returns (Huson et al., 2004). In contrast, when CEOs are not given enough time to adapt to the changing environment and dismissed with the first sign of decreased financial performance, the resulting confusion has been seen to hurt the organization and its stakeholders even more (Miller, 1991). Wiersema (2002), for example, observed that most firms performed no better after they fired their CEOs than they did in the years leading up to the dismissal. The author also found that organizations that dismissed their CEOs not only failed to improve their own earnings, but that they also did worse than companies that replaced their CEOs in a routine succession process. These findings indicate that even if the incumbent CEO is the cause of the problems for the organization and/or its stakeholders, simply replacing him or her will not solve the issues with one clean stroke. Whether the CEO is dismissed or she/he voluntarily leaves, how they are replaced and who they are replaced with has a significant impact on the consequences.

2.2.2.1.   Incumbent replacement in family businesses

In regards to "incumbent replacement," family businesses are not usually associated with CEO dismissals. CEO tenure in family businesses, on average, is three to five times longer than CEOs of non-family businesses (Lansberg, 1999; Ward, 2004). Unlike in non-family businesses, decline in organizational performance usually does not lead to involuntary transitions (Le Breton-Miller and Miller, 2006). Many times, ownership structure provides founders or incumbent CEOs the opportunity to ignore or resist calls for change even if the organization is not performing well financially. Studies show that succession events in family businesses mostly take place either when incumbents voluntarily leave their post, or when they become mentally or physically incapacitated, or die (e.g. Cadieux, 2007; Harvey and Evans, 1995; Sharma et al., 2000; Sonnenfeld, 1988; Stavrou, 2003). Thus, in the family business context, the question "when to replace the CEO?" transforms into "why do CEOs in these organizations have a longer tenure?"

Longer tenures have been attributed to incumbent CEO's future plans (Miller and Le Breton-Miller, 2005) and the psychological barriers they contemplate regarding their exit from the organization (Gomez-Mejia et al., 2003; Lansberg, 1988). When

incumbents want to transfer the top management position to their next generation family member, psychological barriers can lead incumbents to want to stay longer so that they can leave their heirs a healthy and sound organization that could potentially exist for decades (Bjuggren and Sund, 2001; Le Breton-Miller and Miller, 2006; Miller and Le Breton-Miller, 2005). This urge could be especially pressing when the intended successors are the children of incumbent CEOs (Casson, 1999; Grassby, 2001; Lansberg, 1999). When incumbents have too little or too many successors competing for their position, they could defer making difficult succession-related decisions by continuing to occupy the CEO position (Lansberg, 1999). Alternately, some incumbents might resist initiating succession in their lifetime because it signals the beginning of the end for them (Applegate, 1994; Davis and Harveston, 1998; Handler, 1990), so they act as if they are immortal and do not need a successor (Bjuggren and Sund, 2001). Most incumbents feel they have invested their lives to achieve their status, often at great personal cost (Cater and Justis, 2010), and so they might see retirement as a loss of power and status. People previously in leadership positions tend to feel at a loss when they retire because their previous role and position provided them a certain amount of respect, power and admiration, which they cannot easily find elsewhere (Kets de Vries, 2003). Finally, most incumbents know their retirement income will depend on the wellbeing of the business; hence, they might be reluctant to move forward with the succession process if they believe the business cannot properly function without them and that their income might be jeopardized (Sharma et al., 2000).

Major reasons that prompt incumbent CEOs to think, prepare or initiate succession in family businesses include medical problems, takeover demand from the successor, desire to protect the organization and the family wealth from future estate taxes and distribution challenges, and demand from an independent board (Gersick et al., 1999; Morris, Williams, Allen and Avila, 1997; Wolf, Churchill and Tower, 1994). Some researchers have argued that long tenures and ability to defend the top position allow family businesses to prepare and invest in strategies and projects that would, in the long run, provide strategic competitive and financial advantages (e.g. Le Breton-Miller and Miller, 2006; Lumpkin and Brigham, 2011). Still others have warned that when incumbents do not, during their tenure, prepare themselves, their successor(s), their family and the organization for the inevitable event, the sudden change in leadership and strategy can disrupt family harmony and hurt the organization (e.g. Bjuggren and Sund,

2001; Miller, Steier and Le Breton-Miller, 2003). For example, Sharma and her colleagues have found that the propensity of the incumbents' willingness to step aside is positively related to the successors' satisfaction with the succession process (Sharma, Chrisman, and Chua, 2003).

2.2.3.   Successor Availability

When incumbent CEOs decide or actually leave the organization, either voluntarily or involuntarily, the next question becomes, who should take his or her place. Researchers have addressed this question by examining whether the origin of the successor and their individual attributes mattered (Allgood and Farrell, 2003; Brady and Helmich, 1984; Karaevli, 2007).

Origin of the successor

The origin of the successor, whether the successor comes from inside or is brought in from the outside of the organization, has been researched since the early days of the field (see Kesner and Sebora, 1994). The general assumption is that for positive consequences, when the business performs poorly and needs a strategic change, organizations should prefer outsider successors, whereas when continuity is desired, organizations should prefer insiders (Brady and Helmich, 1984). Outsider CEOs need to learn the inner workings of the organization, at the potential cost of time and valuable resources. Usually, best matches between incumbent and successor CEOs occur when insiders follow incumbents who quit, and when outsiders follow incumbents who are dismissed (Allgood and Farrell, 2003). Thus, companies rarely desire to hire outsider CEOs if they are not going to bring anything new to the organization and rather simply continue the status quo (Bailey and Helfat, 2003); in cases such as these, the business might as well continue with an insider who would have less of a learning curve.

Five decades of research on this issue has yielded mixed findings regarding the influence of successor origin (Karaevli, 2007). Some studies report that appointment of an outsider CEO is not associated with improved firm performance (Helfat and Bailey, 2005) and can actually lead to negative organizational consequences (Datta and Guthrie, 1994), while others, in contrast, report that appointment of an outsider (vs. an insider) CEO, among other things (institutional shareholders, and presence of an outsider dominated board), is positively related to improvement in financial performance

of the organization (Huson et al., 2004). Using a more long-term view based on pooled time series data to test both the immediate and the long-term effects of managerial succession on performance reports, Hill (2005) found that outsider successors initially might lead to negative performance results but that, in the long-run, such negative organizational performance turns to positive. In addition, for high knowledge-based industries, appointing outsider successors could provide competitive advantage for the firm because the outsider successor could carry valuable knowledge from their competitors (Grossman, 2007). Similar mixed findings can be found in respect to insider successors. For example, when founders and CEOs stay on as board members after the succession, they prefer insider successors to ensure that their legacy is protected and their strategies are followed (Evans et al., 2010). However, Wen's (2009) archival data analysis found that insider successors in poorly performing firms are positively associated with strategic change.

These mixed findings could be the result of oversimplifying the successor origin by simply dichotomizing it into insider versus outsider. Researchers have started to call for a more fine-grained classification of insiderness and outsiderness (Karaevli, 2007; Shen and Cannella, 2002; Zhang and Rajagopalan, 2004). For example, Karaevli (2007) conceptualizes the new outsiderness "as a continuum ranging from new CEOs who have a greater combination of firm and industry tenure to those who have no experience in the firm and the industry" (p.681). Insiderness can also be further fine-grained by separating it into two groups, namely followers and contenders (Shen and Cannella, 2002). The difference between the two is that unlike followers, contenders are more likely to initiate and implement strategic changes. The authors' research, based on 228 CEOs, showed that executive succession leads to improved financial performance when the successor is a contender-insider. However, although an outsider is expected to implement change like a contender-insider their appointment negatively impacts organizational performance (Shen and Cannella, 2002).

Attributes of the successor

Deciding where to search for the successor (inside vs. outside of the organization) could narrow the potential talent pool, but it does not provide any guidance as to what to look for in a potential successor. In an attempt to determine if certain attributes of the successor impact the consequences of an executive succession, researchers have examined successor characteristics, skills and traits (Buozite-

Rafanaviciene et al., 2009). For example, the education level of successors has been used as a proxy to determine their knowledge and competencies, such as cognitive ability, capacity for information processing, tolerance for ambiguity, and propensity or receptivity to innovation (Datta and Guthrie, 1994; Hambrick and Mason, 1984; Wiersema and Bantel, 1992). Hambrick and Mason (1984) proposed and Wiersema and Bantel (1992) found an empirical relationship between successors' education level and their willingness to initiate and implement strategic change.

In regards to gender issues, there appears to be a numerical gap between male and female successor appointments (Oakley, 2000). Some reasons why female successors might not be appointed can be gender-based stereotypes, differences in leadership styles and the old boy network not wanting their male harmony to be disrupted (Oakley, 2000; O'Neil, 2004). It is important to note that research indicates that neither gender outperforms one or the other in the long run (Dawley, Hoffman and Smith, 2004).

Some researchers have argued that successors should have characteristics such as cleverness (intelligence), creativity, diplomacy, fluency in speaking, persuasiveness, conceptual knowledge of the field, knowledge about group tasks, administrative abilities and social skills in order to significantly and positively impact organizational performance (Carni and Tishler, 2006; Yukls, 2002). Others have put forward a more functional view in proposing that new successors should be able to communicate with people, build new relationships, create a new vision, engage in sense-making, cultivate inventiveness and execute their decisions (Ancona Malone, Orlikowski and Senge, 2007; Johnson, 2006). In addition, successors are expected to be emotionally mature, self-confident, inquisitive, energetic, persistent, versatile, passionate and credible (Hambrick, Finkelstein and Mooney, 2005). However, despite the numerous propositions, there is no consensus on a list of recommendations regarding what to look for in potential candidates when selecting a successor (Finkelstein, Hambrick and Cannella, 2009). As Khurana (2002) explained, "it is difficult, if not impossible, to know ex-ante what characteristics in a CEO are needed to improve performance, directors are left to guess about which criteria are likely to be associated with success" (p.102).

2.2.3.1.   Successor availability in family businesses

Unlike non-family businesses, successor availability poses a unique challenge for family businesses due to a self-imposed restriction on the candidate pool. In family businesses, the intertwined family system tries to hold on to managerial control of the business by transferring the top management position(s) to the next-generation family member(s) (Le Breton-Miller and Miller, 2006). Many times successors are chosen from among the children of the incumbent. Recent studies indicate that academic, technological, managerial and financial skills (Brockhaus, 2004) as well as integrity and commitment to the business (Chrisman, Chua and Sharma, 1998; Sharma and Rao, 2000) are important selection criteria for a successor. Sometimes a family member, usually the child of the incumbent CEO, is chosen regardless of his or her ability to contribute to the business (Kets de Vries, 1993). In addition, male candidates often have preference over females (Dumas, 1992; Vera and Dean, 2005). Non-family successors are rarely considered for the top position unless there are no appropriate family member candidates available (Kirby and Lee, 1996). However, even in these situations, family businesses are recommended to internalize their non-family candidate by selecting quasi-family members, such as long-term employees (Royer, Simons, Boyd and Rafferty, 2008) or in-laws (Bhappu, 2000).

The significance placed on heredity compared to merit in successor selection is seen as the leading cause for suboptimal succession results in family businesses (Mehrotra, Morck, Shim and Wiwattanakantang, 2011). A review of the financial performance of 124 executive successions in Canadian family-controlled firms found that stock prices of the organization significantly declined when a family member was appointed as a successor, whereas there was no significant decrease when either non-family insiders or outsiders were appointed (Smith and Amoako-Adu, 1999). Similarly, empirical research on publicly traded family businesses found that organizational performance declined when successors did not have a good formal education and inherited the CEO position due to blood ties (Perez-Gonzalez, 2006). Even when the successor is selected based on merit among possible family members, this could still lead to a suboptimal choice because the general population almost certainly contains a

more qualified successor than the limited pool of the current CEO's progeny (Mehrotra et al., 2011). In other words, using Warren Buffett's analogy[1], selecting the successor from the small pool of family heirs would be akin to "choosing the 2020 Olympic team by picking the eldest sons of the gold-medal winners of the 2000 Olympics." Despite the arguments and evidence against nepotistic successor selections, there are times an insider family member successor could be the most optimum selection. For example, when the legal system does not provide the framework and assurances for an efficient ownership and management separation, having a family member at the helm of the organization provides a reputational benefit by signaling that the family is still behind the business (Sharma, 2004). In addition, when idiosyncratic knowledge can only be understood and assimilated by family members, they become suitable successor candidates (Lee, Lim and Lim, 2003; Royer et al., 2008).

Family businesses not only have to face the challenge of trying to find a competent successor from a limited pool of candidates, but they also have to make sure the candidates are willing to take over the position. Having a competent successor is not a guarantee that a successful succession will occur because if the successor is dissatisfied or lacks motivation towards the organization or the job, he/she could refuse the position or the dominant coalition could refuse to appoint him/her (De Massis, Chua and Chrisman, 2008; Venter et al., 2005). Empirical studies and anecdotal reports provide ample evidence showing a strong positive relationship between successors' willingness to take over the family business and a successful intergenerational transfer (e.g. Bjuggren and Sund, 2000; Dumas, Dupuis, Richer and St.-Cyr, 1995; Fox, Nilakant and Hamilton, 1996; Matthews, Moore and Fialko, 1999; Neubauer, 2003; Stavrou, 1999). If successors' willingness or motivations are not taken into consideration, their commitment towards the job and the organization could vary, leading to differing levels of effectiveness and firm performance (Sharma and Irving, 2005)

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[1] From David C. Johnston's story, "Dozens of Rich Americans Join in Fight to Retain the Estate Tax" (*New York Times*, February 14, 2001, p. C.1).

2.2.4. The Transfer

Depending on their needs and contextual factors, organizations can develop their own unique way to transfer the top executive responsibilities; however, researchers tend to group them into two main categories: relay and non-relay successions (Naveen, 2006; Zhang and Rajagopalan, 2004). Relay successions are when the heir apparent is determined in advance from within the organization (insider) and is prepared to take over from the incumbent until that time comes (Vancil, 1987). In relay successions, the responsibilities and authority of the candidate successor is gradually increased so that they can develop their capabilities and learn about different management techniques. Relay successions can positively impact post-succession firm performance by allowing the firm to also learn more about the possible future CEO, thus decreasing the chance of a mismatch between the organization and individual aims and capabilities (Zhang and Rajagopalan, 2004). By contrast, in non-relay successions, successors can be insiders or outsiders, but they are not selected in advance and get relatively little or no preparation time for their new positions (Naveen, 2006).

There are empirical support for the positive relationship between relay succession and organizational performance; however, no negative relationship emerged from the literature regarding non-relay successions and organizational performance. In other words, just because an organization does not use a relay type transfer, does not necessarily mean this will lead to negative outcomes for the organization and/or its stakeholders. The effectiveness of the succession should be determined by the level of fit between the organization and the successor's expectations and abilities (Westerberg and Wincent, 2008). However, as organizations become larger and more complex, they tend to adopt relay type successions more often (Naveen, 2006). Studies show that when using relay succession, having a designated heir apparent significantly improves stock prices of an organization the day the transition occurs when compared to organizations with no heir apparent designees (Behn et al., 2005; Naveen, 2006). Interestingly, relay successions with an outsider heir apparent did not improve organizational performance compared to an insider heir apparent (Helfat and Bailey, 2005).

Some researchers (i.e. McKee and Driscoll, 2008; Valentine, 2011; Zhang and Rajagopalan, 2004) argue that when it comes to transferring authority and responsibility to the successor, the focus should be on the preparation level rather than the origin.

Preparing for the inevitable executive succession makes transitions more effective and efficient, and leads to positive consequences both for the organization and its stakeholders (Kesner and Sebora, 1994). If organizations want to have a successful leadership transition, they should adopt the concept of "change" as a corporate practice, and have the new CEO build rapport with the top management team (Khumalo and Harris, 2008). The chances for a smoother transition and a better match between successor capabilities and organizational needs will increase when the board and/or relevant stakeholders are prepared for the succession ahead of time instead of just reacting to and trying to make decisions as they emerge (Behn, Riley and Yan, 2005). Zhang and Rajagopalan (2004) similarly argued that simply dichotomizing successors as insider or outsider can be misleading. Based on research among 204 CEOs, the authors found that prepared insider successors outperformed non-prepared insider successors. The authors also found that there were no differences in performance between non-prepared insider and outsider successors. In order for a good fit between the successor and the organization, the succession should include steps to acculturate the new CEO (Valentine, 2011).

Although preparation for the executive succession can be affected by many factors, review of the general executive succession literature indicates that the main focus is on the incumbent and the board composition. Research among 105 Malaysian SMEs revealed that the incumbent/owner CEOs' willingness to prepare their successors impacted how the CEOs initiated or managed the succession process (Ndubisi, 2010). Successors who were motivated to find their own replacement started searching and training an heir apparent early on. However, incumbents who lacked this motivation and held on to power sabotaged this process to ensure their continuity. Legacy concerns as well as ownership of the chairman title decreased the probability of initiating the succession process (Phan and Lee, 1995). Researchers argue that when current CEOs both have high levels of power and are not monitored by an independent board, they could get entrenched and delay preparing for the inevitable succession process (Combs, Ketchen, Perryman and Donahue, 2007). Similarly, when incumbents have power over the board and hold a position on it after the succession, their entrenchment could be detrimental for the organization (Evans et al., 2010; Quigley and Hambrick, 2012). To prevent this, some researchers have argued that organizations need strong and institutional shareholders as well as outsider dominated independent boards, and ought

to appoint outsider successors (Borokhovich, Brunarski, Donahue and Harman, 2006; Huson et al., 2004). As well as, when continuous implementation of a strategy is necessary, entrenchment might be a desirable incumbent behavior (Casamatta and Guembel, 2010).

2.2.4.1.   Transfer in family businesses

Researchers and practitioners agree that the transfer of business responsibilities from the incumbent to the successor should be thought out and prepared for in advance for a successful succession (e.g. Cabrera-Suarez, 2005; Dyck, Mauws, Starke and Mischke, 2002; Gersick et al., 1999; Handler, 1990; Ibrahim and Ellis, 1994; Le Breton-Miller et al., 2004; Lansberg, 1991; Sharma et al., 2003; Sharma, Chrisman, Pablo and Chua, 2001; Sonnenfeld and Spence, 1989; Stavrou, 1999; Ward, 1987). The family business literature is in agreement on the recommendation for a relay type succession when the intention of the incumbent or the family is to have a family member (insider) successor (e.g. Barach and Ganitsky, 1995; Cadieux and Lorrain, 2003; Gersick et al., 1999; Handler, 1989; Ibrahim and Ellis, 1994; Le Breton-Miller et al., 2004). Handler (1990) conceptualized this transfer as a mutual role adjustment between the incumbent (predecessor) and the successor. She proposed that incumbents play the four roles of sole operator, king, supervisor, and consultant; successors play the three roles of assistant, manager, and leader. In this model, actors move from one role to another; incumbents' involvement with the family business decreases over time with each progressive new role, while their successors' involvement increases. Handler (1990) concluded that a well-planned and -managed succession makes role changes and adjustments efficient and less traumatic for both the business and for involved stakeholders. Le Breton-Miller et al.'s (2004) comprehensive literature review developed a succession model, which similarly identifies successor development, wherein the gradual phase-out of the incumbent and gradual phase-in of the successor serve as key components for the transfer.

When the candidate pool for a potential successor is small (due to heredity concerns, to avoid a crisis of ability and motivation at the point of transition and later), successors need to be prepared for their new responsibilities (Cabrera-Suarez, 2005; Churchill and Hatten, 1987). Researchers and practitioners have consistently found a positive relationship between successor development and a successful transfer of

responsibilities (Brockhaus, 2004; Cabrera-Suarez, De Saa-Perez and Garcia-Almeida, 2001; Hume, 1999; Morris et al., 1997; Ventner et al., 2005; Ward, 1987). In fact, numerous studies argue that in order to achieve positive succession outcomes, it is important to develop successors' leadership abilities (Barach and Gantisky, 1995; Barach, Gantisky, Carson and Doochin, 1988).

Depending on contextual factors, as well as family and business needs, successor development can involve formal training, on the job training, and outside work experience. Formal training provides the successor necessary technical knowledge to be able to run the organization. Empirical studies have found that formal education level of the successor is related to a less challenging transition and improved post-succession organizational performance (Goldberg, 1996; Morris et al., 1997; Perez-Gonzalez, 2011). On the job training provides the successor opportunity to learn the idiosyncratic knowledge of the business. Family businesses are well-known for their development and exploitation of specific business networks; however, most of these networks are person specific rather than being organization specific, thereby restricting access to only family members or close non-family managers (Lee et al., 2003). On the job training can also help successors learn how to motivate employees to cooperate, learn about local context and internal processes in the family business, establish their own networks, and build credibility by successfully moving up the organizational ladder (Barach and Gantisky, 1995; Fiegener, Brown, Prince and File, 1996; Morris et al., 1997; Royer et al., 2008). Studies show that post-succession performance of successors who receive a significant amount of on the job training is better than that of successors who receive little or no such training (Goldberg, 1996). However, when training on the job, families must avoid ending up in one extreme or the other. At the one extreme, parent-predecessors might spoil the successors by not giving them enough or appropriate responsibility, whereas at the other extreme, they might put too much pressure (at work and at home), which can create resentment against them or the organization (Kets de Vries et al., 2007). In either case, the purpose of successor development would have been defeated. The third successor development method, outside work experience, can help successors decide the direction in which they wish to develop their carreer (within the family business or outside), and also provide them the opportunity to learn from others about different management styles, technologies and processes (Barach et al, 1988; Dyer, 1986). Outside work experience is also a significant way for successors to

develop their self-confidence and prove they are capable and/or mature in their own right (Roberts and Bengtson, 1993). Research indicates that when children grow up and gain work experience, their expectations and confidence levels change, affecting the relationship they have with their parents (Roberts and Bengtson, 1993). Ward (1987) reports that most successors do not regret having outside work experience and that those who have no outside work experience wish they did. Here Ward also argues that "gaining experience outside the business is one of the strongest recommendations that can be made for successors" (p.60).

The logic of relay succession is such that as the successor's development progresses, the incumbent should transfer his/her responsibilities and authority to manage the business gradually to the successor (Dyer, 1986; Gersick et al., 1999; Handler, 1990; Ibrahim and Ellis, 1994; Kim and DeVaney, 2003). However, case studies and publicly available family business succession stories show that several factors could cause succession to stall or reverse, including actors who play the role they want to play rather than what they should play (Cadieux, 2007; Gordon and Nicholson, 2008; Rosenblatt et al., 1985; Sonnenfeld, 1988). Succession in family businesses is seldom a seamless and continuous transition that ends with the "transfer of the baton" (Sigalas et al., 2008). Several reasons can prolong and blur the transfer stage. One reason is incumbents' reluctance to let go of their authority and responsibility, as discussed previously (see topic 2.2.2.1 Incumbent replacement in family businesses). Recent studies have found that if incumbents' authority or responsibility does not decrease while that of successors' continues to increase, this will create many friction points, turn the dyadic interaction from complementary to competitive, create ambiguity among the workforce regarding to which leader employees ought to listen and eventually lead to negative organizational outcomes (Brun de Pontet, Wrosch and Gagne, 2007; Marshall et al., 2006; West et al., 2003).

Another reason why succession might be challenging for family businesses is that ownership and management are usually interlocked (Poza, 2007), which leads to the question: when should the transfer be considered complete? Some researchers have focused on managerial transfer (e.g. Sharma et al, 2003), and some directed their attention towards ownership transfers (Lansberg, 1999), while others have combined both views and argued that the process is completed when intergenerational transfer of both management and ownership control occurs (Brun de Pontet et al., 2007). Yet even

the transfer of ownership and management might not be enough to call the transfer complete.

The interlocked family system in family businesses means that even if incumbents withdraw from the management and ownership circles they could still be connected to the business via the family circle. Often incumbents and successors have a parent-child or senior family member-junior family member relationship (Jayaraman, Khorana, Nelling and Covin, 2000). In addition, during their tenure incumbents can build influential and loyal network ties with other stakeholders (i.e. other family members, employees, suppliers, customers, etc.). Thus, after their retirement, predecessors can still continue to be involved with the family business via commanding family relationships or loyalties of their networks (Davis and Harveston, 1999). As a result, successors could perceive, despite managerial and ownership control, that they do not have real power to steer the organization and that the real control is still with their predecessor (Brun de Pontet et al., 2007; Mitchell, Hart, Valcea and Townsend, 2009). That is why as long as the predecessor holds a significant role in the organization, we cannot call the transition complete (Davis and Harveston, 1999).

Based on this review of the literature, it appears that the focal point of the field has been what happens before and/or during the succession, while paying limited attention to what happens afterwards (post-succession). Figure 1 (below) illustrates the general assumption of the field regarding executive successions; once the managerial transfer is over, previous managers quickly and quietly leave the picture. If executive succession is a critical event for an organization, it is important that we understand the entire process and not just one part of it. There is a growing number of research showing that interaction between the previous top manager and their successor post-succession can influence organizational performance, strategic direction and individual satisfaction, no matter whether these organizations are non-family (e.g. Evans et al., 2010; Karlsson and Neilson, 2009; Quigley and Hambrick, 2012) or family businesses (e.g. Brun de Pontet et al., 2007; Cadieux, 2007; Davis and Harveston, 1999; Mitchell et al., 2009; Steier and Miller, 2010). However, availability of opportunities and the actual frequency of continued post-succession interaction happenings make family businesses a suitable context to examine the lesser-known phase of the succession process.

2.3. Research Questions

The underlying thesis of this dissertation is that post-succession predecessor involvement with the family business and the interaction between successors and predecessors during this time period have important implications for theory and practice. Understanding the events, actions and interactions between successors and predecessors in this time period has consequences on multiple levels and can aid with individual development, family harmony and organizational strategic planning.

Previous research shows that different generations involved with the succession process can interpret its stages and outcomes differently (Sharma et al., 2003). This suggests that when researching interactions between previous top managers and their successors, it would be beneficial to examine both sides of the coin, and to observe how differing perceptions and goals affect the behaviors of these individuals and organizational outcomes (Brun de Pont et al., 2007). The following research questions are shaped by these underlying beliefs, and thus focused on the individuals (i.e. the predecessor and the successor), their interactions, and the organizational outcomes. The aim is to explore how predecessors' and successors' post-succession behaviors are shaped and how both groups perceive the outcomes of their post-succession behaviors. The following sections first present a more specific review of the related literature and then the research questions.

Figure 1: Involvement level assumptions both for the incumbent and the successor
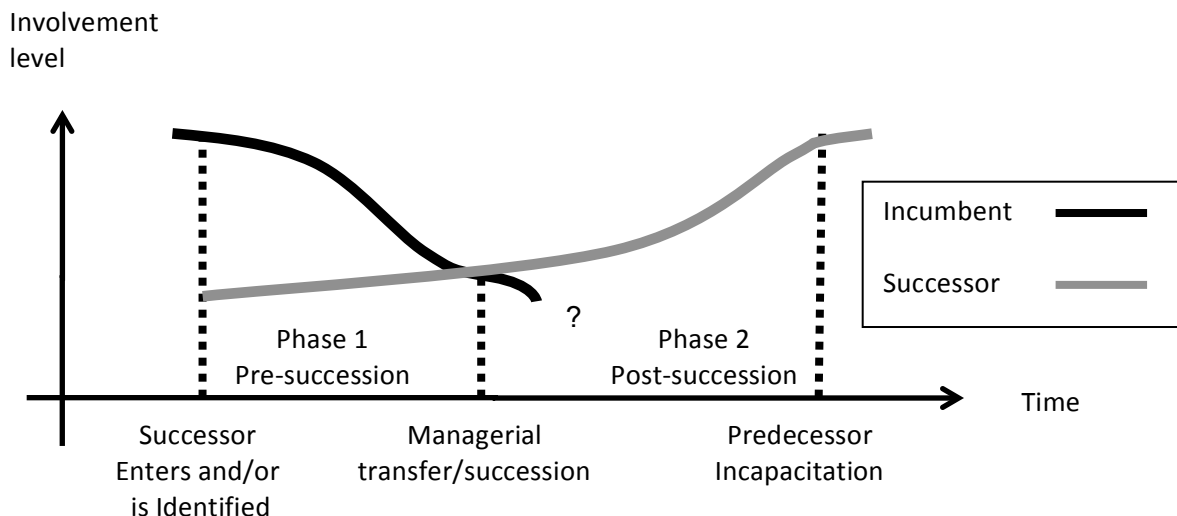
2.3.1. Questions Concerning Post-Succession Predecessor Actions

Academic research and anecdotal evidence suggest that even after the transfer of managerial title and responsibilities, if the predecessor is still alive and able-bodied (physically and mentally), we should not automatically assume post-succession predecessor involvement will significantly diminish or disappear with the transfer of the managerial title, especially in family businesses. Quigley and Hambrick (2012) call this a "critical institutional reality" (p.834) that is mostly overlooked by mainstream researchers in the executive succession field (Davis and Harveston, 1999). To explore this critical institutional realty the first step is to understand how and why predecessors continue to be involved with the family business during the post-succession period.

At this point it is important to clarify what is meant by post-succession predecessor involvement with the family business. Involvement is not the same as participation. Participation and involvement could at times indicate the same situation, but both concepts differ conceptually on a number of key points (Jarvenpaa and Ives, 1991). Participation is about actively, in a hands-on way, being part of a situation, while involvement as a concept is not limited to active participation but also takes into consideration intentions and perceptions (Jarvenpaa and Ives, 1991). If managers believe they are making a difference by just being there or if the group thinks the presence of the manager makes a difference, then we should consider those managers to be involved with the process. Building on these arguments, "predecessor involvement" in this dissertation is defined as having a sense of concern with and curiosity about someone or something, and intentionally or unintentionally being part of a situation that alters or hinders an organizational development.

Continued predecessor involvement could be based on objective reasons like wanting to ensure family harmony, helping the new successor and assuring continuity in certain aspects of the business, but there could also be personal reasons such as not fully trusting the successor, lack of alternative activities, and reaffirming self-worth (Cater and Justis, 2010; Kets de Vries, 2003; Quigley and Hambrick, 2012; Sharma et al., 2001). In family businesses, even if the predecessors can come to terms with being physically separated from the organization, it is relatively difficult for them to accept this separation psychologically (Grote, 2003). That is why some predecessors, even after

they have retired from active management duties, could continue to hold rights to oversee strategic decisions (Cabera-Suarez, 2005; Chung and Yuen, 2003; Evans et al., 2010; Feltham, Feltham and Barnett, 2005; Karlsson and Neilson, 2009; Quigley and Hambrick, 2012). Predecessors could do this by accepting honorary or new positions, such as the ombudsman or representative of the firm, and/or by joining the board of directors (Cadieux, 2007; Chung and Yuen, 2003; Evans et al., 2010; Karlsson and Neilson, 2009; Lansberg, 1999; Quigley and Hambrick, 2012; Sonnenfeld, 1988).

Most studies that examine post-succession predecessor involvement focus on the official titles acquired or kept (e.g. chairperson of the board, ombudsman, honorary president, consultant) after the succession. However, retaining an official title is not the only way predecessors could continue to be involved with the family business during the post succession period. Examining the influence of official titles might be a good starting point, but not an adequate proxy to determine and explore continued predecessor involvement (Sonnenfeld, 1988). Predecessors who have given up their top managerial titles could still hold on to certain authority and power through their stocks, legacy, and family authority. Instead of examining titles acquired or kept by the predecessor after the succession, we should examine the actual behaviors they display afterward (Cadieux, 2007). Hence, this research will seek to answer the following research question about possible predecessor behaviors after the succession event.

> **Research Question 1:** What are the discriminating components of predecessors' post-succession behaviors?

2.3.1.1.   Factors that might influence predecessors' post-succession actions

Understanding the motivation behind post-succession predecessor action is important because, for the most part, predecessors are assumed to be the lead controller of the succession process (e.g. Rubenson and Gupta, 1996; Malone, 1989; Lansberg, 1991). In family businesses, during the post-succession phase of the process, the desire is to move the base of managerial control from patriarch authority to the expert authority (Steier and Miller, 2010). This could be used to explain both why some predecessors' involvement levels diminish over time as their successors gain more experience and why others, who feel their experience makes them the ultimate expert about the business, hold onto power and control. Previous research has also identified several other factors that might influence predecessor post-succession action choices,

such as: demographic characteristics, personality characteristics, availability of alternative activities and previous experience with the succession process.

Demographic characteristics. Age is related directly to the incumbent's intention to retire; as incumbents get older they first contemplate partial retirement and then are more willing to accept full retirement (Kim and DeVaney, 2003). In addition, married incumbents, as they get older, are more willing to give some or total control of the business to their successor through partial or full retirement (Kim and DeVaney, 2003). There is no agreement in the family business succession literature regarding how the education level of the predecessor influences their post-succession behaviors. For example, some researchers found that predecessors' formal education levels are linked positively to their propensity to accept and follow-through on change (Datta and Guthrie, 1994), while others report no significant relationship between formal education levels and following the succession process to the end (Davis and Harveston, 1998).

Current research on family business successions usually represents a male incumbent's perspective on succession issues. This is because even though the numbers of female owner-managers are increasing in family businesses, the majority of current incumbents are still men (Nelton, 1998). In addition to this numerical disparity, most current women incumbents are younger than their male counterparts; thus, female incumbents feel it is too early for them to start planning for succession (Vera and Dean, 2005). Even so, a review of the literature shows that male incumbents tend to prefer their successors to be male (Keating and Little, 1997; Stavrou, 1999). Fathers have a hard time accepting that their daughters have grown up and are capable of facing the world on their own. This is called the "little daughter syndrome" (Dumas, 1992). Marriage is another concern when evaluating females for succession (Kets de Vries, 1993). That is, predecessors might be hesitant because they fear that their son-in-law will start running the company behind the curtain. On the other hand, there are mixed results regarding female incumbents and their successor preferences. Some researchers argue that female incumbents prefer their successors to be female (Dumas, 1998; Hisrich and Fulop, 1997), while others report finding no specific gender preferences among female incumbents (Cadieux, Lorrain and Hugron, 2002). What is interesting is that female predecessors can be more reluctant to relinquish total control over the business compared to male predecessors (Cadieux et al., 2002).

Personality characteristics. Barach and Gantisky (1995) argued that certain personality characteristics of the predecessor could either hinder or facilitate transition processes. The authors found that personality traits such as the tendency to mistrust, micro-manage, and being negatively aggressive hindered the transition process. In contrast, being open to new ideas, having a cooperative attitude and enjoying mentoring positively facilitated the transition. One of the key points in the transition process is the predecessors' ability to trust others and share authority (Handler, 1990). Research has consistently shown that if incumbents have personality traits that make it easy for them to delegate responsibility and to let their successors make their own decisions and mistakes then the transition process will be smoother (Barach and Gantisky, 1995; Cabrera-Suárez, De Saa-Perez and Garcia-Almeida, 2001; Dyer, 1986; Handler, 1990). The incumbent's locus-of-control is also related to succession planning practices; empirical research shows that high levels of internal locus-of-control leads to more formal and well-developed succession plans (Malone, 1989). Sonnenfeld's (1988) research on CEOs found that predecessor personality played an important role in determining their involvement level with the organization post-succession. He proposed that predecessor personal identities become so intertwined with their roles that retirement often represents a void into which they are reluctant to step. A forced step into retirement could create anxiety, which could be attributed to factors such as resistance of owner-managers to accept their own mortality, reluctance to accept the decline in their physical and mental abilities, reluctance to let go of power, fear of losing their identity, and an unwillingness to appear to play favorites among children by choosing one over the others (Applegate, 1994; Davis and Harveston, 1998; Handler, 1990; Lansberg, 1991; Kets de Vries, 1993). If this anxiety is not well managed, it could significantly impact the succession process in a negative way (Potts, Schoen, Engel Loeb and Hulme, 2001).

Alternative activity options. Succession is challenging for predecessors and successors because both have to simultaneously deal with and untangle interweaving issues regarding the transition process (Gordon and Nicholson, 2008). Predecessors not only have to start transferring ownership and altering the balance of power, accountability and responsibility, but they also have to prepare themselves psychologically for this new era when they will no longer be the absolute leader of the organization (Gordon and Nicholson, 2008). It is the issue of psychological preparation

that many predecessors have a hard time with, that is, difficulty completely untangling their own identity from that of the family business (Pierce, Kostova and Dirks, 2001).

Sometimes predecessors cannot separate themselves from the organization because they have been so immersed in the business that they have not even had time to do other non-business activities (Sonnenfeld, 1988). A smooth phase-out can be facilitated if the incumbents have other activities in their lives to satisfy their personal and psychological needs (McGivern, 1978). Plans outside the business like philanthropy, or even a new career might be helpful (Dyer, 1986; Handler, 1990; Lansberg, 1991; Potts et al., 2001; Sharma et al., 2001; Ward, 1987). Another way to smooth the transition process is to give the incumbent symbolic duties, responsibilities or roles in the family business after the transition. However, the boundaries of these new symbolic duties, responsibilities or roles should be made clear and carefully monitored to ensure that predecessors do not try to run the business like in the old days and that the independence of successor actions is protected (Le Breton-Miller et al., 2004).

Prior experience and contextual factors. Predecessors' prior succession experience plays an important role in determining the timing and level of authority and responsibility they are willing to transfer to their successors (Avila et al., 2003). Research shows that when predecessors were themselves successors and their transition was coordinated and enjoyable, they were more willing to replicate the same experience for their successors in a short timeframe (Avila et al., 2003; Sonfield and Lussier, 2004).

According to Ward (1987), even after realizing the need for succession preparation, the transfer of power, authority and responsibility usually takes five to seven years. However, the transition time would be moderated by market conditions (ability to acquire loans) and organizational context (Kimhi, 1997). The idea is that if the organization is stagnating and cannot acquire additional capital at a reasonable price, then transferring control to the successor will be faster given that they could solve this problem. On the other hand, if market conditions are favorable for the organization, then the transfer of control can be delayed until conditions change or the incumbent suddenly no longer can attend to his or her duties (Brun de Pontet et al., 2007). Hence, based on previous research and with the aim to explore further what other factors might impact post-succession predecessor actions, this research will seek to answer the following research question.

Research Question 2: What are the factors that affect predecessor post-succession actions towards the family business and their successors?

2.3.2. Questions Concerning Post-Succession Reactions of Successors

Successors' reactions to their predecessors' post-succession actions are an important part of the equation. Studies examining leadership supervision indicate there is a fine line between effective and ineffective involvement with others tasks and responsibilities. For example, external interventions, in respect to the new CEO's decisions, negatively influence their willingness to display behaviors that would create new conflicts (Hambrick and Finkelstein, 1987; Sakano and Lewin, 1999). Similarly, studies show that members of self-managed teams do not appreciate constant and negative interventions by an external leader (Morgeson, 2005). However, people can react differently depending on whether managers approach the situation in a threatening or supportive manner (Papadakis, Lioukas and Chambers, 1998). External leader interventions can be tolerated or even appreciated when done on urgent and specific matters with a positive and supportive attitude that helps self-managed team members find the solution, rather than constantly telling the team what to do (Morgeson and DeRue, 2006). Psychological studies consistently show that positive approaches tend to generate longer lasting positive outcomes than negative/threatening approaches (Greenberg, 1990; Miller, 2001; Morgeson and DeRue, 2006).

Similarly, in family businesses, successors' reactions will depend on predecessors' post-succession behavior. For example, if predecessors' post-succession behaviors create inertia for change and they try to keep time still, this can lead to friction and conflict among successors who aspire towards, need or demand change (Miller et al., 2003). Harvey and Evans (1995) argue that since predecessors do not usually act as change agents, their continued involvement will mostly lead to friction between them and their successors, causing the successors to negatively react towards the predecessor and the family business. However, social norms governing parent-child relationships can influence successors' reactions to their predecessors' post-succession actions. If successors are aware of their parent-predecessor's sincerity to help them, they can display less of an objection for their parent-predecessors' post-succession actions in order to avoid hurting their parents' feelings and/or to prevent damaging family relations

(Rosenblatt et al., 1985). In her 2005 case study, Cabera-Suarez provides examples showing how predecessors who have encouraged and supported their successors by allowing them to take responsibility and make mistakes generated positive successor reactions. The author describes in her study a context in which predecessors do not conflict with successors but cooperate with them by sharing the workload and providing advice. Hence, to further explore how successors might react to the different post-succession predecessor behaviors, which this research seeks to identify, the following question will be considered:

> **Research Question 3:** What are the successors' reactions to their predecessors' post-succession actions towards them and the family business?

2.3.2.1.   Factors that might influence successor's post-succession reactions

Since continued involvement with the family business by the predecessor does not always yield negative reactions or outcomes, several other factors could play a moderating role in determining successors' reactions to their predecessors' post-succession involvement behavior. Review of the family business literature suggests that factors like motivation, competence and emotional development can influence successors' post-succession behaviors.

Motivation. For a family business, a motivated and committed successor is significantly important (Barach and Gantisky, 1995; Chrisman et al., 1998; Le Breton-Miller et al., 2004; Potts et al., 2001; Sharma et al., 2001; Sharma and Rao, 2000). The more successors perceive that the opportunities provided by working in the family business are congruent with their personal identity, life stage, and career goals, the higher their motivation levels will be (Handler, 1992; Stavrou, 1999). When successors are motivated, they feel more affective commitment towards the family business and are more content with their responsibilities (Le Breton-Miller et al., 2004). This in turn leads to a distinctive sense of identity for the successor that makes them feel more optimistic and behave constructively (Barach and Gantisky, 1995). However, if due to economic context and/or sunk costs (Dean and Andrew, 2000; Kimhi, 1997) successors lose their motivation or intention to stay with the family business, they tend to show more negative and destructive reactions (Stavrou, 1999).

Competence. The successor's development and preparation for top management is important particularly for family businesses (Ward, 1987) because incompetent new management is usually the number one reason why businesses fail (McGiven, 1978). Formal training, outside experience and in-family training can develop successor competence. Proper training and preparation that improves managerial knowledge and capabilities help successors achieve credibility, strengthen their legitimacy with others and let them climb the ladder towards the top rather than parachuting down onto it (Barach and Gantisky, 1995; Barach et al., 1988; Dyer, 1986; Morris et al., 1997). The significance of all this, it can help successors formalize, early on, possible reactions that are constructive and functional in order to deal with their predecessors (at that time, the owner-manager). Hence, when predecessors continue to be involved with the family business after the successions, successors can either appreciate the value, wisdom and importance of protecting family harmony and react accordingly or dislike being challenged and react negatively.

Emotional development. When parent-predecessors who have technically retired continue to advise their offspring-successors actively, they prevent the predecessor-successor dyadic relationship to evolve from parent-child to the mature adult stage (Stavrou, 2003). This delayed relational development could impact possible successor reactions. For example, successors could react similarly to a child throwing a temper tantrum when they do not get what they want, or successors could keep silent (with resentment or acceptance) when their parent-predecessor objects to an idea. Hence, to explore further what other factors might impact post-succession successor reactions, this research will seek to answer the following research question:

> **Research Question 4:** What are the factors that affect successors' reactions towards their predecessors' post-succession actions?

2.3.3. Questions Concerning Predecessor-Successor Interaction Outcomes

The dyadic relationship between predecessors and successors is important because it builds greater trust, better understanding, and opportunities for improved knowledge transfer among the actors (Cabrera-Suárez et al., 2001; Churchill and Hatten, 1987; De Massis et al., 2008; Dyer, 1986; Handler, 1990, 1992; Harvey and Evans, 1995; Lansberg, 1991; Malone, 1989; Neubauer and Lank, 1998; Potts et al.,

2001; Sharma et al., 2001, 2003; Ward, 1987), and is linked directly to positive organizational outcomes (Goldberg, 1996; Handler, 1990; Kets de Vries, 1993; Le Breton-Miller et al., 2004; Murray, 2002; Stavrou and Swiercz, 1998; Venter et al., 2007). When focusing on how interactions affect organizational outcomes through influencing dyadic relationships, it is important to remember one factor that differentiates family businesses from non-family businesses is the reciprocal nature of family and business relationships (Astrachan, 2003; Dyer, 2003; Habbershon, Williams and MacMillan, 2003; Rogoff and Heck, 2003; Zahra, 2003). Family relationships have the power to alleviate or diminish business-related personal tensions, while the quality of the business relationship influences the amount, rate and value of resource transfer from the family members to the organization (Olson, Zuiker, Danes, Stafford, Heck and Duncan, 2003). Empirical studies also show that effective management of interpersonal relationships is crucial for the family business to sustain and grow the organization successfully (Olsen et al., 2003). Deteriorating business relationships are related negatively to organizational goal achievements (Danes, Zuiker, Kean and Arbuthnot, 1999), while competing rather than complementary relationships are found to lead individuals to have destructive conflicts with each other which significantly affect the sustainability of the family business in a negative way (Danes, Leichtentritt, Metz and Huddleston-Casas, 2000; Rosenblatt, 1991; Stewart and Danes, 2001). Since the quality of the dyadic relationships (both in family and business) is related to the success and longevity of the family business, it becomes crucial to understand the effects of post-succession predecessor-successor interactions.

A good quality relationship also helps predecessors deal with any existential anxieties (Le Breton-Miller et al., 2004). Research conducted by Morris et al. (1997) indicates that the quality of the family relationship is even more important than succession planning. In their case studies of medium-sized family businesses, Miller et al. (2003) found that when predecessors continuously and negatively intervene with their successors' managerial decisions, this has a negative effect on the emotional closeness between the two individuals. The authors discovered that successors appreciated their predecessors' providing emotional support in a behind the scenes way on key issues. In their paper about intergenerational succession in family businesses, Harvey and Evans (1995) proposes that successors do not appreciate constantly feeling their predecessors' eye on their back, even if it is not done intentionally or actively, and that this strains the

dyadic relationship. In family businesses, successors expect their new position to provide them respect and mature adult treatment from their predecessors as well as from different stakeholders (Kets de Vries, 1993). Leadership studies (e.g. Cabrera-Suarez, 2005; Goldberg, 1996; Goldberg and Wooldridge, 1993; Harland, Harrison, Jones and Reiter-Palmon, 2005; Howell and Avolio, 1993) have also consistently found that positive interaction between leaders and their followers yields better and closer work relationships. For example, when successors perceive a good relationship with their father (the predecessor) they tend to exhibit better post-succession performance (Goldberg, 1996; Goldberg and Wooldridge, 1993). Hence, it is important to explore and report the intergenerational interaction, its outcomes and differing interpretations in order to develop a framework that attempts to shed more light on the post-succession period of the family business.

> **Research Question 5:** What impact does post-succession interactions between predecessors and successors have on their dyadic relationships and on the organization?

2.4. Summary of the Research Questions

In summary, the following five questions guide this research:

1. What are the discriminating components of predecessors' post-succession behaviors?

2. What are the factors that affect predecessors' post-succession actions towards the family business and their successors?

3. What are the successors' reactions to their predecessors' post-succession actions towards them and the family business?

4. What are the factors that affect successors' reactions towards their predecessors' post-succession actions?

5. What impact does post-succession interactions between predecessors and successors have on their dyadic relationships and on the organization?

The goal is to explore the significance of continued post-succession interaction on the success and longevity of the organization through changes in the quality of these dyadic relationships, Figure 2 provides a graphic illustration the research questions. The first two research questions, which focus on the predecessor's behaviors, is to

understand whether predecessors continue to be involved with the family business, and if so, how and why. The third and fourth research questions focus on successors' behaviors and reflect the attempt to explore how successors react to their predecessors' post-succession behavior and why they react the way they do. The fifth research question focuses on the outcomes of interactions between the two primary actors (predecessors and successors) involved in the succession event in family businesses.

Figure 2: Research Questions
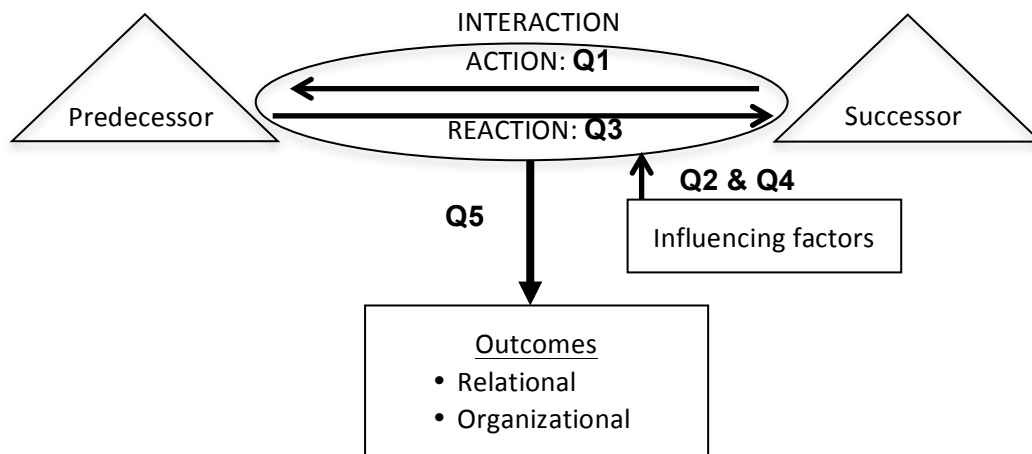
3.   Methodology

The methodology used for this dissertation was guided by the research questions identified in the previous chapter. There have been a significant number of quantitative and qualitative studies of the succession process from the time a potential successor is identified until the managerial transition from one generation to the other is complete (e.g. Barach and Ganitsky, 1995; Barnes and Hershon, 1976; Churchill and Hatten, 1987; Gersick et al., 1999; Handler, 1990; Holland and Oliver, 1992; Le Breton-Miller, Miller and Steier, 2004). Recent studies indicate that predecessor' interactions with both the family business and the successor does not have to end with the completion of managerial transfer (e.g. Brun de Pontet, 2007; Cadieux, 2007; Davis and Harveston, 1999; Harvey and Evans, 1995; Stavrou, 2003). Hence, this qualitative research is designed to explore and develop a descriptive framework that discusses how and why predecessors and successors behave the way they do after the succession, illustrate the relationship among dyadic interactions, quality of relationships, and organizational sustainability and growth. The structure of this chapter is as follows. First, the theoretical rationale for the methodology and the suitability for this particular research will be presented. Next, the specifics as to how the data were collected and analyzed will be described.

3.1. Theoretical Rationale

Before deciding the appropriate methodology for any inquiry, it is important to decide the "assumption about how to know the social and apprehend its meaning" (Fonow and Cook, 1991, p.1) in order to clarify the epistemological approach the research is based on. The chosen epistemological approach "will influence the types of questions asked and the choice of techniques" (Ambert, Adler, Adler, and Detzner, 1995, p. 881). A review of the family business literature indicates that many studies in this field prescribe either a *positivist* approach or an *interpretive* approach (Lee, 1991). Researchers using the positivist approach in order to find rules or patterns of social life adopt methodologies that allow them to quantify their observations and cumulate

knowledge using procedures that can be duplicated (Ambert et al., 1995). On the other hand, the interpretive approach aims to discover the meaning events have for the individuals who experience them and the interpretations of those meanings by the researcher (Hoepfl, 1997). Positivist approaches tend to favor quantitative methodologies and are generally adopted when testing hypotheses, while interpretive approaches tend to favor qualitative methodologies and are generally adopted when developing new theories (Westerman, 2006). Since the aim of this research is to discover new relationships and interactions in post-succession family businesses by interpreting the perceptions of the actors, an interpretive methodology was adopted for this study.

In addition, the limited and diverse nature of prior research regarding the research questions presented in the previous chapter suggested the need for a methodology that was a good source of rich descriptions and explanations of processes grounded in local contexts. Specifically, the methodology required for this research had to provide the opportunity to identify particular attributes and their dimensions, compare these across cases and identify a pattern from the systematic comparison among cases (Pieper, 2007). The adopted methodology had to provide the opportunity to research complex interactions among individuals, explore perceptual and behavioral differences between people, and help better understand how individual behavior influences others. To achieve this goal and to identify such patterns, qualitative research methods, especially a grounded theory approach is particularly well-suited (Handler, 1989; Rafuls and Moon, 1996).

"Grounded theory" is a frequently used and well-developed qualitative data analysis methodology (Lee, Mitchell and Sabylynski, 1999). It is an inductive, theory discovery method (Pieper, 2007) that "allows the researcher to develop a theoretical account of the general features of a topic while simultaneously grounding the account in empirical observations of data" (Martin and Turner, 1986, p. 141). This is especially important in an area such as in the case of this study, where research and predefined structures (initially) are limited, Furthermore, grounded theory provides systematic procedures for collection, analysis and presentation of qualitative data (Glaser and Strauss, 1967), which addresses an important concern surrounding the usage of qualitative methodology. More detail about the suitability of qualitative methodology will

be presented in the next section, followed by the criteria to evaluate the rigor of the research, and the procedures utilized by grounded theory.

3.1.1. Qualitative Methodology and Its Suitability for This Research

One could argue that in essence, all data could be considered qualitative data (Berg, 1989); the differences between qualitative and quantitative data are created by how and to what degree we focus on the words and the extended text (Miles and Huberman, 1994). Quantitative and qualitative methods differ in terms of their ability to answer certain types of research questions (Lee et al., 1999). Qualitative research is best suited to describe, interpret and explain a phenomenon that needs a more detailed examination. According to Miles and Huberman (1994, p. 10), the strength of qualitative data addressing the questions such as "What is occurring?" and "How it is occurring?" is due to certain characteristics, such as:

- It focuses on naturally occurring events in natural settings, providing the opportunity to have a strong handle on what "real life" is like.

- The data are collected in close proximity to the phenomenon within its embedded context.

- It provides rich and holistic data with strong potential to reveal "thick descriptions" that are vivid, nested in a real context and have a ring of truth that has strong impact on the reader.

- The emphasis on participants' "lived experience" is suited for locating the meanings people place on events, processes, perceptions and assumptions.

- It is advocated as the best strategy for discovering and exploring a new area or topic.

There are various ways to collect qualitative data such as interviews, observations, government documents, videotapes, newspapers, letters and books (Miles and Huberman, 1994). Since it is beyond the scope of this research to give a full and detailed account of the advantages and disadvantages of the aforementioned qualitative data collection methods, the focus will be on the primary method used for this research, face-to-face unstructured interviews. Collecting data through unstructured interviews can provide a comprehensive story about a phenomenon, allowing the researcher to explore answers to questions such as what, why and how. The flexibility offered by this method

provides researchers an opportunity to find creative and suitable ways to collect data embedded in real life contexts, emphasizing the relevance and validity of the findings. Findings based on studies using this methodology "have a quality of undeniability…Incidents or stories, have a concrete, vivid, meaningful flavor that often proves far more convincing to a reader – another researcher, a policymaker, a practitioner – than pages of summarized numbers" (Miles and Huberman, 1994, p.1).

Families and family businesses are idiosyncratic systems that impose several methodological challenges to the researcher (Pieper, 2007). Qualitative methods such as interviews can help collect and unlock information from what are known to be overly secretive and shy participants: family business families (Handler, 1989). In fact, when it comes to conducting research among family members, Litz (1997) explicitly advocates the use of qualitative research methodologies over quantitative. In addition, it can provide the tools needed to explore the subjective meaning people attribute to their experiences, which lead to specific behaviors (Banyard and Miller, 1998; Denzin and Lincoln, 2005; Miles and Huberman, 1994); thus is provided the opportunity to examine the causal, non-linear relationships among different actors and multiple levels of analysis (e.g. the individual, the dyad, the whole family and the organization) (Gilgun and Sussman, 1996).

The "succession" issue signifies a time of change for all organizations; this is no more so true than in family businesses. A change in the business also means that the family and its individual members have to be ready for and capable of adapting to shifting internal and external circumstances (Cox and Paley, 1997; Olson, 2000). During times of transition, the social and institutional memory held by the family and by its individual members has a significant influence on behavior and adaptation (Daly, 2003). In their family research methodology book, Gilgun and Sussman (1996) show that information gathered through interviews can enable researchers to understand why and how change was initiated, what reaction it provoked, and how the family adapted to the changes by accessing the memory and behaviors of the family and its members.

Despite the above-mentioned advantages, qualitative studies sometimes face skepticism regarding their rigor and small sample sizes, raising questions and concerns about their validity and reliability (Gephart, 2004; Gilgun and Sussman, 1996; Kvale, 1996). To address these concerns researchers have attempted to established criteria to evaluate and determine whether qualitative study results are valid and reliable. The

following section will discuss the basis for the procedures used to ensure the research was conducted in a rigorous fashion and provide the reader with a set of standards to evaluate the quality of the results.

3.1.1.1. Evaluating the quality of qualitative research

Although researchers using qualitative methods have tried to address validity and reliability concerns (Gilgun and Sussman, 1996), there still is a lack of consensus regarding what should be sensible canon for qualitative data analysis, that is, a shared set of ground rules for drawing conclusions and verifying rigor (Miles and Huberman, 1994). Rigor in research is important because without it the results will become no more than hearsay. Thus, it is significant for researchers to pay attention and take appropriate steps to minimize concerns regarding validity and reliability.

Denzin and Lincoln's (1994) review of the four major perspectives on the issue of evaluation, ranging from the positivist argument that all research must be evaluated on exactly the same criteria of scientific validity, to the poststructuralist position that qualitative research should have their own set of evaluative criteria, highlights the significance of examining each piece of research for its own contribution to their respective field and the fit between their adopted methodology and their epistemological foundation (Ambert et al., 1995). Despite this diversity of opinions and ways in which qualitative research could be carried out, there are certain common evaluative criteria that researchers agree should be present to determine the quality of the work (Gibbert and Ruigrok, 2010). Based on the core components of the diverse array of evaluative criteria, Ambert et al. (1995) suggest that qualitative inquiries studying couples or families should be evaluated by examining the:

- Theoretical perspective and linkages to the literature
- Analysis of the data
- Matters of reliability and validity
- Sample adequacy
- Procedures and ethics (including the role of the researcher)

3.1.1.1.1. *Theoretical perspective and linkages to the literature*

In quantitative studies "theory" is established first through literature review, which guides the way regarding what kind of data should be collected, how it should be analyzed and how it should be presented (Shah and Corley, 2009). However, in qualitative studies, the stages and sequences are seldom neatly organized and

separated from each other (Glaser and Strauss, 1967; Pratt, 2009; Strauss and Corbin, 1990). For example, Glaser (1992) opposes literature review and theory development prior to data collection and analysis because he believes that it could prevent the researcher from listening to what the data are saying and, instead, lead to the imposition of his or her bias.

Despite this difference in the sequence of theory development, the emerging conceptual and theoretical framework should be clearly stated in the manuscript and eventually linked to the existing literature and theories (Ambert et al., 1995; Lincoln and Guba, 1985; Strauss and Corbin, 1990). The linkage with the observed patterns previously established, presented in the literature review, provides the reader of the manuscript the opportunity to evaluate the contribution of the study to the field (Denzin and Lincoln, 1994; Eishardt, and Graebner, 2007; Yin, 1994). This can also help demonstrate the problems or inadequacies that initially prompted the need for a qualitative inquiry (Ambert et al., 1995). Thus, it is important to know and display knowledge of the literature, provide a detailed critique of it, and discuss limitations or gaps in the field (Ambert et al., 1995). The previous section where *definitions and research questions* are presented is specifically designed to show the audience of this research that the literature regarding succession and family businesses was thoroughly reviewed and that there are certain areas that require further investigation. When evaluating the quality of this research, readers can examine whether the findings of this research contributes to better understanding the succession process in family businesses.

3.1.1.1.2. *Analysis of data*

The process of doing qualitative research is not linear but cyclical or evolutionary (Ambert et al., 1995). To allow the audience the opportunity to observe that rigor was followed when analyzing the data, researchers should "explain the approach they used, the ways in which they interpreted their early data, and how preliminary findings influenced subsequent data gathering and analysis" (Ambert et al., 1995, p.884). Gibbert and Ruigrok (2010) suggest that researchers should "talk the walk" and "carefully walk readers through their methodological choices and decisions" (p.725), explaining the challenges faced on the way and how the emerging issues guided further data collection and analysis.

The desire to have a clear methodological section could sometimes encourage researchers to omit or gloss over the challenges they faced due to contradictory reports or observations. Research challenges represent the complexity of real life; ignoring these challenges and not explaining how they were dealt with could negatively impact the trustworthiness of the researcher and prevent the reader from truly understanding how the findings emerged from this research. Thus, the methodology section of this research provides a detailed account of data collection and analysis, as well as the challenges faced and their influence on the process.

3.1.1.1.3. *Matters of reliability and validity*

Issues of reliability and validity are evaluated differently in qualitative studies (Altheide and Johnson, 1994). For example, in many cases external validity (generalizability) becomes less important than internal and construct validity (Gibbert and Ruigrok, 2010; Gibbert, Ruigrok and Wicki, 2008). For qualitative studies to check for the validity of the researchers interpretations, data triangulation is commonly used (Brewer and Hunter, 1989). In data triangulation, multiple sources of data are gathered and continuously compared with each other. These multiple sources are usually identified as archival data (internal reports, minutes or archives, annual reports, press or other secondary articles), interview data (original interviews carried out by researchers), participant observation derived data and direct observation derived data (Yin, 1994). A study might not be able to collect data from all these sources but more sources allow for data crosschecking and improved validity.

Since in many qualitative studies the researcher actively takes part in the data collection process, the ability to replicate the study becomes a challenging issue, leading some reviewers to become concerned about the reliability of the findings. Transparency (Gibbert et al., 2008) and being open to scrutiny (Ambert et al., 1995) are good strategies to improve the research reliability. Developing and documenting the protocols (i.e. interview, coding, etc.) used for the research and creating databases that contain the original interview data, secondary documentation and journal notes are commonly prescribed measures to increase transparency of the study (Gibbert et al., 2008; Yin, 1994). Making peer evaluation a part of the research process also contributes to the study's validity and reliability claims. When possible, intercoder reliability should be checked by an independent peer who is not part of the research (Miles and Huberman,

1994). Congruence in categorizations will strengthen the claims of validity and reliability, while differences will help discover possible errors or overlooked relationships.

To be transparent as possible, the interview protocol (Appendix A), coding procedure, information about the multiple data sources and information about the participants (with the exception of parts that would reveal their identify) are provided in the methodology section of this research. The CAQDAS software NVivo8, used to store, code and retrieve data also provides the opportunity to create case databases for future retrieval or replication purposes. In addition, information regarding how peer review was incorporated in this research is also presented in this methodology section.

3.1.1.1.4. Sample adequacy

Unlike quantitative research, the purpose of many qualitative studies is to explore differences among cases exhaustively (Banyard and Miller, 1998; Dougherty, 2005), and to illuminate and extend relationships and logic among constructs (Eisenhardt and Graebner, 2007). Thus, qualitative researchers could move from random sampling to theoretical sampling, where cases or participants are selected for particular theoretical purposes such as replication, extension of theory, contrary replication and elimination of alternative explanation (Yin, 1994). There is no magical number that could help researchers definitively claim adequate sample size was achieved (Pratt, 2009). Adequacy of the sample size depends on the type of questions asked, complexity of the situation studied, availability of participants and the purpose of the research (Siggelkov, 2007). For example, in research areas where there is a lack of in-depth prior studies to draw from or where finding willing participants is difficult (i.e. people willing to talk to a stranger about their personal familial relationships) and requires high resource consumption, having rich comprehensive stories becomes more vital than having large numbers of cases.

Saturation should be the key determinant for the adequacy of the sample size (Glaser and Strauss, 1967). When themes start reoccurring and new themes stop emerging, researchers at that point could stop pursuing new cases or participants. Thus, reviewers need to be clearly informed about the theoretical sampling criteria used to find cases or participants, and how and when saturation was achieved during the research. The methodology section of this research includes a detailed explanation how participants were found and why and when the sample collection was stopped.

3.1.1.1.5. *Procedures and ethics*

Determining the level of bias introduced by the researcher while following the procedures is an important issue that needs to be addressed in qualitative studies (Ambert et al., 1995). It is the responsibility of the researcher to address his or her role in the research process and possible impact on the results. When relevant, any advantage or limitation that could arise due to the researcher's ethnicity, gender and socioeconomic status should also be discussed (Steier, 1991). In many cases, researchers have to balance, on the one hand, getting too close to their research participants in order to collect rich information and risk introducing bias into the study or, on the other hand, being as detached from the participants as possible but risk getting limited access to information. Whatever strategy the researcher decides on regarding research methodology, research questions and the population studied, the researcher has to inform the audience about the level of interaction and its possible effects, so that the audience will have "a basis on which to interpret any bias introduced…"(Pieper, 2007, p.85).

During data collection, formation of close relationships and access to sensitive information can places researchers in a delicate position. Protection of the participants' wellbeing should not be jeopardized in the name of making new discoveries (Palys and Lowman, 2000). Thus, researchers have to take precautions to ensure that when the research is published, the participants in the study will not be placed in a precarious position. The role of the researcher in active data collection and the steps taken to secure sensitive information is discussed within this chapter.

As long as the evaluative criteria discussed above are consistent with the epistemological approach and research objectives of the study, they are applicable for any qualitative research inquiry. The value and usefulness of these evaluative criteria can be better appreciated if the adopted qualitative methodology is clearly laid out and explained to the prospective audience. Hence, the following section will explore the procedures laid out by grounded theory, as recommended by Corbin and Strauss (1990b).

3.1.2.   *Grounded Theory Approach*

In an attempt to find balance between theory verification and theory development in qualitative studies, Glaser and Strauss (1967) developed a method that allows

researchers to develop theory that is grounded in empirical data. Their aim with this methodological approach is to help researchers generate theories that fit the data at hand, and would work in real life scenarios (Glaser and Strauss, 1967). The grounded theory approach for theory development is different from that of quantitative studies. In quantitative research, the deductive way of theorizing requires that the theory be first formulated and then that the researcher must systematically seek out evidence to verify it; however, in a grounded theory approach, data are gathered and then theory is derived directly from it (Dey, 1999). This approach is based on the idea of letting theory emerge or unfold rather than solely verifying or disputing existing hypotheses (Handler, 1989). Despite this fundamental difference in theory development between quantitative and qualitative methodologies, Walker and Myrick (2006) argue that a grounded theory approach strives to minimize this difference by combining the inherent strengths of each methodology. The inherent strengths that grounded theory strives to combine are the in-depth and rich stories of qualitative studies with the systematic analysis and rigor of quantitative studies (Charmaz, 2000; Dey, 1999; Glaser and Strauss, 1967; Keddy, Sims and Stern, 1996; Robrecht, 1995). In general, this method involves the joint collection, coding, and analysis of data. The steps in the research process are not distinct but rather overlapping and highly interdependent, as explained by Glaser and Strauss (1967):

> "Research aimed at discovering theory . . . requires that all three procedures go on simultaneously to the fullest extent possible for this . . . is the underlying operative when generating theory. Indeed, it is impossible to engage in theoretical sampling without coding and analyzing at the same time . . . [The researcher] must be looking for emergent categories, reformulating them as their properties emerge, selectively pruning his list of categories while adding to the list as the core of his theory emerges, along with developing his hypotheses and integrating his theory - - in order to guide his theoretical sampling at each step of the way." (p. 71-72)

However, Glaser (1992) later argued that grounded theory should not be bound by time, place and people, and suggests that one should let theory freely emerge from data. In contrast, Strauss and Corbin (1990a, 1990b, 1998) have advocated a more detailed, systematic and technical procedure that researchers should follow when developing grounded theory (Walker and Myrick, 2006). The difference between the Glaserian and the Straussian models of grounded theory approaches is summarized as

follows: if qualitative research is part science and part art (Strauss and Corbin, 1998), then generating grounded theory is more of a science in Strauss's view and more of an art in Glaser's (Walker and Myrick, 2006). Although comparing the Glaserian and the Straussian models of grounded theory in detail is beyond the scope of this research, for an exhaustive overview of this comparison the reader is referred to Walker and Myrick (2006), Kelle (2005), Creswell (1998), and Melia (1996).

There are many different views as to which method is more appropriate to conduct grounded theory research. After carefully examining the value and differences of both approaches, and evaluating my own skill set regarding qualitative studies, I decided to follow the Straussian approach to grounded theory. Walker and Mayrick (2006) call Straussian grounded theory approach more user-friendly, while Kelle (2005) suggests that it is more suitable for first-time qualitative researchers. The goal here is not to pick sides as if one method is better than the other (Mäkelä and Turcan, 2007), but to find the best methodology that suits the researcher's objectives and ability. The following sections explain the guideline set by the grounded theory approach described by Strauss and Corbin (1990a, 1990b, 1998) in order to help collect, code, analyze and allow theory to freely emerge from the data.

3.1.2.1. Data collection

In grounded theory, the data collection process is an integral part of analysis and theory building. Unlike with sequential methods, which are employed by quantitative studies where a whole set of data are collected first and then analyzed, the analysis begins as soon as the first bit of data are collected (Strauss and Corbin, 1990a). Strauss and Corbin (1990b) argue that social phenomena should not be conceived as static but as continually evolving in response to change in their environment; thus, it is important to build adaptability, through process, into the method. Hence, "analysis is necessary from the start because it is used to direct the next interview and observations" (Strauss and Corbin 1990b, p. 6). Since the direction for where to collect the data next is determined by analyzing earlier data as soon as it is collected, "it is not possible in grounded theory to plan data collection in advance" (Pieper, 2007, p. 99).

However, this lack of ability to plan where to sample next does not mean that there are no standards for data collection. Strauss and Corbin (1990b) accept the fact that researchers rarely start a study with a *tabula rasa* (empty slate) in their mind. The authors argue that researchers using grounded theory could have questions at the

beginning of the study or can generate them as soon as the study starts. Researchers are allowed to collect data on these questions throughout the study; however, during analysis if a question or a group of questions prove to be irrelevant, researchers should cease pursuing them and focus on the emerging theory (Strauss and Corbin, 1990b). As irrelevant questions are removed, the remaining and the newly emerging inquiries should be incorporated into the continuing research. To prevent the researcher from missing anything that may be salient, Glaser and Strauss (1967) and Strauss and Corbin (1990a) stress the importance of joint data collection, coding and analysis. Both the Glaserian and Straussian models of grounded theory view this integrated data collection and analysis approach as an important source of effectiveness because it allows researchers to explore the different and potentially relevant aspects of the topic as soon as they emerge. Strauss and Corbin (1990b) also argue that joint data collection and analysis "helps guard against researcher bias" (p. 7). For example, if a researcher is enamored by a particular concept, they have to prove its relevance by continuously scrutinizing it and finding repeated presence in interviews, documents, and observations in one form or another; otherwise, the researcher must discard the concept (Strauss and Corbin, 1990b).

At this stage, it is also important to mention briefly that grounded theory does not discriminate against types or sources of data. Any and every bit of data collected through different means could be used in this methodology (Glaser and Strauss, 1967). While data collected through interviews are the most prominent type (Glaser, 2004), grounded theory also allows for the use of company reports, secondary data, or statistics if the information is relevant to the research (Goulding, 2001). Each of these sources can be coded in the same way as interviews or observations (Glaser and Strauss, 1967).

3.1.2.2.   Data coding and analysis

Coding in grounded theory is not separate from the analysis process but an integral part of the analysis process. The Straussian model of grounded theory divides the coding process into three phases and labels them open, axial, and selective coding. Although these phases might have specific procedures aimed at achieving distinct purposes (Walker and Mayrick, 2006), the basic coding methodology involves making comparisons and asking questions (Strauss and Corbin, 1990a).

In the first open coding phase, data are broken down analytically. The researcher should scrutinize "the field note, interview, or other document very closely; line by line, or

even word by word" (Strauss, 1987, p.28) to compare events/actions/interactions so that they could identify similarities and differences, and assign conceptual labels (Strauss and Corbin, 1990b). Open coding, with its constant questioning and comparative analysis, helps the researcher when they return to the field to collect additional data (Strauss and Corbin, 1990b). Constant questioning enables the researcher to be sensitive to new issues, while comparisons can decrease false positives by preventing researcher subjectivity and bias (Strauss and Corbin, 1990b).

By grouping conceptually similar labels, researchers could form categories and subcategories. Strauss and Corbin (1990b) suggest that even at this stage researchers could further break down categories and subcategories to reveal their specific properties and dimensions. Some of the properties or dimensions that researchers could search for are: the type of the event/action/interaction that took place, the manner by which it happened, and whether it had a long or a short duration event/action/interaction (Strauss and Corbin, 1990b). Once categories and their properties are identified, they will provide a guideline for sampling on theoretical grounds.

In the second phase of data analysis, which is called axial coding, the "categories are related to their subcategories, and the relationships tested against data" (Strauss and Corbin, 1990b, p.13). In this phase, categories are related to the phenomenon under research, the conditions related to that phenomenon (context conditions, intervening – structural – conditions or causal conditions), the actions and interactional strategies directed at managing or handling the phenomenon and the consequences of the events/ actions/interactions related to the phenomenon (Strauss and Corbin, 1998). During this coding phase, researchers should start thinking about and working on discovering new ways to put the fractured data back together and try to explore the relationships between categories and subcategories (Walker and Myrick, 2006).

At this stage researchers could propose hypothetical relationships; however, these propositions should be provisional, and if they are not supported by incoming data, the propositions must be revised or discarded (Strauss and Corbin, 1990b). In grounded theory, a single event/action/interaction is not sufficient to verify or discard a proposition. Lack of supporting evidence for a proposed relationship could lead the researcher to question why an event occurred in one condition but did not occur in another. This continuous questioning, testing and comparing of relational codes could lead the researcher to revise the original proposition to include various new, provisional, or

conditional relationships. Continued search for relationships, testing and revisions in this phase helps the emerging theory to become more conceptually dense and the linkages to become more specific (Strauss and Corbin, 1990a).

It is important to note at this point that axial coding is a cornerstone of Strauss and Corbin's (1990a, 1990b 1998) grounded theory approach; however, it is totally alien to Glaser's (1992) original vision for grounded theory. Glaser (1992) argues that imposing any relationship on the data, provisional or not, would prevent the emergence of theory, bias free, from the data. Researchers such as Dey (1999) and Chamaz (2006) have also questioned whether this highly structured method of relationship discovery has a place in grounded theory. Despite such objections and questions, Strauss and Corbin (1990a, 1990b 1998) insist that axial coding is simply part of the analysis process, which can be used to adjust for the human element or error in data analysis and provide verification and support to the emerging theory. This phase can be seen as Strauss and Corbin's desire to show grounded theory as a more scientific methodology (Charmaz, 2005; Walker and Myrick, 2006). In addition, the structured nature of coding, testing and revising makes it easier for novice researchers to use the Straussian version of grounded theory (Kelle, 2005).

Finally, in the last phase, selective coding, the researcher is expected to integrate the data around a central theme, hypothesis, or story to generate a theory (Strauss and Corbin, 1998). The researcher should select a core category that represents the central phenomenon of the research, and then relate all other categories to the core as well as to the other categories. Strauss and Corbin (1990b, p.14) suggest that a researcher could identify the core category by asking questions such as: "What is the main analytic idea presented in this research? If my findings are to be conceptualized in a few sentences, what do I say? What does all the action/interaction seem to be about? How can I explain the variation that I see between and among categories?" The core category might emerge at the end of this questioning from the existing categories, or a new, more abstract category will be needed to explain the phenomenon that is being studied. The more abstract the core category is, the more generalizable the theory will become (Strauss and Corbin, 1990a, 1990b, 1998). When a core category emerges, all of the other categories must be in relation with it (Strauss and Corbin, 1990b).

Selective coding is merely an extension of the already privileged axial coding and it can help researchers examine beyond the obvious, linking process to structure (Strauss and Corbin, 1990b). During this phase, researchers should also separate strong categories from poorly developed categories. Poorly developed categories are those that do not relate well to the core and do not have much support from the data. Once poor categories are identified based on their relationship with the core, researchers can discard these categories or go back to the field to collect more data to improve their explanatory power. If emergence is kept free from bias, tracing relationships of conditions and consequences can enrich a theory (Walker and Myrick, 2006). The following section discusses several procedural guidelines that researchers should take into consideration when they are conducting qualitative data collection, coding and analysis.

3.1.2.3. Additional guidelines for grounded theory

To help ensure that researchers stay on the appropriate path when they are collecting, coding and analyzing data, grounded theory provides a series of guiding principles. These principles are not designed to turn the whole process into a highly structured formalized research methodology, but to ensure that researchers apply appropriate methods and do not get lost under a large pile of qualitative data. The guiding principles do have some flexibility and latitude to accommodate the inevitable contingencies that arise when moving from the planning stage to actually conducting the research project. However, the closer a researcher follows the guiding principles, the more rigor their project will have (Strauss and Corbin, 1990b). The additional guiding principles can be summarized as the importance of using memos, having an extra set of eyes to help verify conclusions, and keeping track of and recording contextual information.

Memos. Keeping memos is an important part of doing grounded theory research (Glaser, 1978; Strauss and Corbin, 1994). Memos are like field notes taken during an interview but more elaborate. In addition to field notes, memos should include the ideas the researcher developed about the phenomenon, how it evolved throughout the research process as new data were obtained and analyzed, the revisions a theory went through during the research process, and how the coding sessions progressed (Strauss and Corbin, 1990a). All information that is relevant to the research that was not covered by the interview or other sources of data should be included in the memos.

Researchers should begin keeping memos as soon as data starts being collected and continue until the end of the research project. The length and detail of the memos could change depending on the stage of the research project; however, the more detailed and elaborate the memos are, the better they can help the research at the analysis and reporting stage. When keeping memos, researchers should not self-censor or worry about the elegance (e.g. spelling, grammar, syntax, using complete sentences) of their note taking (Glaser, 1978; Strauss and Corbin, 1990a). Researchers should ensure that their notes are "sortable" because like coded data, memos can be stored, retrieved and analyzed, providing the possibility that a meaningful relationship may emerge that was overlooked before. The use of memos helps the researcher move easily to the conceptual level, refining and expanding codes further, developing key categories and showing their relationships, and building toward a more integrated understanding of events, processes, and interactions in the case (Miles and Huberman, 1994). "If a researcher omits the memoing a great deal of conceptual detail is lost or left undeveloped" (Strauss and Corbin, 1990b, p.10).

Need not work alone. Researchers conducting grounded theory are encouraged to have independent and fresh sets of eyes to help them throughout the research process. Grounded theory requires the researcher to constantly question and confirm whether the codes, categories, sub-categories and their relationship to each other are identified accurately. As the research progresses, a single researcher could be overwhelmed by the sheer volume and variety of data, and might simply overlook some of the necessary verification duties. Collaborating with other researchers and/or asking their input or views could help with the emergence of a theory that is more accurate and generalizable. An independent examination by another qualified person could help identify incomplete and/or inaccurate codes, categories, sub-categories and relationship descriptions. It could help the researcher to ask new sets of questions that he/she never thought of and lead him/her to new insights, improve theoretical sensitivity and help guard against researcher bias (Strauss and Corbin, 1990b).

Keeping track and recording contextual information. A researcher who is using grounded theory methodology should not restrict their contextual data gathering and analysis to only the immediate surroundings of the phenomenon that is being researched. Researchers should expand their data collection effort to include broader information about the context, such as: economic conditions, cultural values, political

trends and social movements (Strauss and Corbin, 1990b). Broader conditions might have an effect on the events/actions/interactions that are being researched; if there is enough evidence of this, these contextual factors should be integrated into the theory. Strauss and Corbin (1990b) claim that researchers should not simply list possible broader contextual factors but "show specific linkages between conditions, actions and consequences" (p. 11).

At this point, it is also important to mention that additional guidance points presented by Strauss and Corbin (1990a, 1990b 1998) are not unique to their version of grounded theory. Most of these additional guidance points can be found in the original Glaser and Strauss (1967) article as well as Glaser's (1978, 1992) own papers. The following sections will describe how data were collected and analyzed specifically for this research, using grounded theory procedures envisioned by Strauss and Corbin (1990a, 1990b, 1998).

3.2. The Sample

To identify a theoretically relevant sample that would enable theory generation, several steps were taken. The first step was to develop sampling criteria that would guide the sampling process. The criteria for determining the sample for this research was based on "theoretical relevance," which is defined by Glaser and Strauss (1967) as having a sample that helps "generate as many properties of the categories as possible, and that relates these categories to each other and to their properties" (p.49). Developing the sampling criteria prior to the data collection process was important because it provided clarity by setting boundaries. The sampling criteria guiding this research helped identify cases that were relevant to the central research interest and directed the case search method. Limited time and resources makes it useful to have such criteria to focus the data collection efforts in an efficient and effective manner.

It is important to note that the sampling criteria were not developed to be a static guideline. Instead, it was designed to evolve naturally as the fieldwork began. The expectation was that the initial choice of participants could lead to others who would be similar and/or different; observing one type of event/action/interaction would invite comparison to others, and discovering a key relationship in one setting can reveal facets to be studied in others. The evolution of the sampling criteria did not negate the function

that boundaries served, but it allowed for adjustments to the realities of the real world and provided the opportunity to discover and examine previously overlooked categories and relationships. This iterative process of constant comparison and adjustment is an important aspect of grounded theory (Glaser and Strauss, 1967; Strauss and Corbin, 1990a, 1998).

3.2.1.   Sampling Criteria

Before starting to collect data for this research, the first step was to decide where to find cases that were relevant to the central research interest. Miles and Huberman (1994) recommend a funneling sequence, where researchers first start identifying the context from which the cases should be pursued and then work their way into identifying the core cases for the research at hand. For this research data were collected in Turkey. There were several reasons why Turkey was chosen as the data collection site. First, although there is a strong international community of family business researchers, a quick review of the top tier journals of the field will show that succession in family businesses is still mainly examined in Western contexts (Bird et al., 2002). Being historically, geographically and institutionally in-between Western and Eastern civilizations and cultures places Turkey in a unique position, providing the opportunity to explore the significance of culture for family business and their succession process. Turkey has the world's 15th largest economy, is a founding member of the OECD organization and has a customs union agreement with the European Union (Turkey, 2012). According to Ministry of Industry and Commerce records, in 2008 there were 94,400 registered corporations, of which 99% could be considered a family business (Alacaklioglu, 2009). Reports from the Istanbul Stock Exchange indicate that more than 60% of the companies whose shares are being traded are still controlled and managed by their founding families (Alacaklioglu, 2009). Second, the nature of the questions (i.e. personal and sensitive relationship and interaction questions) required familiarity with the context in order to establish rapport with participants and convince them that their data would be handled appropriately and professionally. Being originally from Turkey provided me this contextual advantage. Finally, the high resource requirements of conducting qualitative research (Ambert et al., 1995) and the convenience in accessing certain resources such as databases, sponsors and personal connections, contributed to the decision to collect data in Turkey (Appendix B).

Once the location for the research was found, the next step was to decide from which contextual background the cases should come. Since the central objective of this research is to explore and understand "what happens in post-succession family businesses between predecessors and successors" in order to gather first-hand information, the most appropriate and direct approach was to search for participants from family businesses. However, the ongoing debate as to what kind of organization could be considered a family business, which was explored in the previous chapter (see section 2.1), and the focus being on the post-succession period meant that participants had to be selected from family businesses that fulfilled certain conditions. The first step was to ensure only organizations that fit the theoretical family business definition provided by Chua et al. (1999) were considered as potential sources for participants. This meant controlling for the following factors: the amount of shares that had to be owned by a member or members of a single family, at least one family member had to be involved in the management activities, and there had to be the intention to keep the business sustainable, at least for the next generation family member(s). Primary and secondary data sources were used before and after the participants were identified to verify they came from family businesses that fit the description of Chua et al. (1999).

The second step for identifying family businesses for this study concerned the post-succession period. In order for participants to be able to provide first-hand information about the post-succession period, they had to have gone through a succession in their family business. Potential participants were specifically asked to confirm succession in their family business had happened. This was important because the belief of passing over a threshold (i.e. the transition) significantly influences peoples' future expectations and behaviors compared to changes in their official titles (Handler, 1989). The final step involved ensuring that the succession allowed for the potential for post-succession interaction between the predecessor and the successor. This meant that the transition should have not been brought about by the predecessors' sudden death or a debilitating mental or physical illness. The purpose for this criteria was to ensure predecessors and successors had the opportunity to interact with each other.

Previous research has shown that there is a difference between the first succession (i.e. from founder to the next generation) and subsequent successions (Davis and Harveston, 1999; Kelly, Athanassiou and Cittenden, 2000; Sonfield and Lussier, 2004). Founders of family businesses have a significant influential role in the

initiation, development, and ongoing maintenance of an organization's vision and culture (Kelly et al., 2000). Long after the founder's succession, the culture, systems and legacy they have established can continue to influence the family business and its management (Kelly et al., 2000). The generation that immediately follows a founder has to deal with the "founder's shadow" more frequently than the subsequent generations (Sonfield and Lussier, 2004). If the founder is alive and able-bodied (both mentally and physically), the shadow they cast on the second generation will be bigger and harder to manage (Davis and Harveston, 1999). However, over time with each subsequent succession, the reach and influence of this shadow diminishes (Sonfield and Lussier, 2004). In addition, with each subsequent succession the actors can learn how to manage the succession process more efficiently and effectively (Sonfield and Lussier, 2004). Thus, no restriction was placed on the number of successions the family business had gone through. The intention was to examine whether there was a difference among different managing generations in respect to post-succession interactions. However, despite the intention to include participants from family businesses that have gone through several successions, this plan was not realized. One reason for this was that Turkey has relatively few family businesses that have gone through several successions (Alacaklioglu, 2009). Another reason was that none of the predecessors or successors of these relatively few family businesses agreed to participate in this research. No other restriction was placed on the source context. This allowed to collect data from family businesses that differed in several ways: industry, number of employees, location, ownership structure and organizational maturity. Being able to pursue cases in such a variety of contexts was important because it provided the opportunity to observe whether different family business environments had an impact on post-succession events/actions/interactions.

After deciding where to search for potential cases, the next step was to decide whom to pursue in family businesses to participate in this research. Since this research focuses on events, actions and interactions that take place between successors and predecessors in a family business environment after the succession, both of these groups (successors and predecessors) were sources for suitable participant candidates that could provide first-hand data for this research. The goal was to collect data from a relatively similar number of predecessors and successors to explore where and why their interaction stories converged and diverged. However, access difficulties to predecessors, which will be explained further in the next section, meant there were more

successors who were willing to participate in this research than predecessors. Repeated efforts to increase the number of predecessor participants were made and eventually two-to-one ratio was achieved as opposed to the initial four-to-one ratio. Members from both genders were included in the research; however, the total number of women participants was low (only 2 out of 26 in the final sample), reflecting the comparatively low numbers of female family members who are involved in the management of family businesses (Cadieux et al., 2002). To determine if different levels of familial connections mattered in post-succession interactions between predecessors and successors, there was no restriction based on whether potential research participants were in a parent-child relationship. However, reflective of the primogeniture nature of Turkish culture (Uskul et al., 2004), all of the predecessor-successor relationships ended up also being parent-child relationships. For this research, no minimum or maximum number was assigned for the targeted sample size. The intention was to continue the research and collect data until "theoretical saturation" had occurred or no additional data indicated new properties of the categories (Glaser and Strauss, 1967; Strauss and Corbin, 1990a).

3.2.2.   The Sampling Process

Finding participants for the sample proved to be more challenging than originally anticipated. The first step in the process was to contact the Independent Industrialists and Businessman's Association (MUSIAD) to request access to their membership list. This association is a non-governmental, non-profit, and voluntary-based organization established in 1990. MUSIAD has 3150 members generating economic activity that represents 15% of Turkey's GDP, contributes 17 billion US Dollars to Turkey's export revenue, and employs 1,200,000 persons. One of MUSIAD's main activities is to inform its members about new social, cultural, political, economic, scientific and technological developments through educational activities. In return for providing a detailed list of members, MUSIAD was offered a summary report of the findings of this research, which they could use in their educational activities.

Due to personal relations with the president of the association, verbal permission was obtained to access the membership list. Since the association had members both abroad and in all 81 provinces of Turkey, time and resource concerns led to the decision to focus on the members located in Istanbul, the most populated, diverse and commercially active city of the country. In Istanbul alone the association had over 900

members. However, member information was not kept accurately or updated regularly. The only accurate and complete information that was available about these members was their company names, the date they became members, and their contact information.

To help identify potential cases from this dataset I was directed to ask the help of the vice-president of the association. He had an academic background in entrepreneurial studies and personally knew many of the members on the list. After eliminating companies that were known not to be family businesses, and that did not meet the sampling criteria mentioned above, the list was reduced to 50 potential participants in 36 family businesses. This list became the master source from which to randomly select participants until theoretical saturation was achieved. It is important to emphasize that the random selection of potential participants from this list was conducted using the specific criteria guided by theory. The intent was to prevent or minimize investigator bias by randomly selecting participants from a pool of theoretically suitable candidates.

To contact potential participants, the first option considered was sending hard-copy letters through regular mail. However, time, cost and reliability issues surrounding the handling of mail led to the consideration of alternative options such as sending emails and making phone calls. Thus, first contacts with potential participants were made via email followed by a phone call. When possible, the emails were sent directly to the email addresses of the top managers. If this information was not available, the research request message was sent to the company email address with a polite request to be forwarded to the top manager. When conducting phone calls, the aim was to talk with the top manager of the company. In addition, emails were sent from the vice president's office of MUSIAD informing them about the research and encouraging members to participate.

Both in emails and phone calls, potential participants were informed that this was academic research conducted by a researcher located in Canada and sponsored by MUSIAD. Potential participants were provided with information about the nature of the research, the time involved, and the availability of feedback. Confidentiality and anonymity of responses was emphasized in order to help ease any anxiety about participating. The emails also informed recipients that they would be contacted by phone in order to provide more information about the research, answer their questions and ask whether they would like to participate. During phone conversations to confirm that these

cases met the criteria set for this research, potential participants were asked if they considered their organization to be a family business and whether they had gone through a succession. This allowed for targeting cases that were appropriate for this research.

Out of the 50 potential participants, it was discovered that six did not meet the selection criteria for this research. Only 19 potential participants agreed to talk to me on the telephone and only three of these were interested in participating in this research. Repeated emails and phone calls resulted in no new participants who were willing to take part in this research. It is at this point the decision was made to inquire about cases using an opportunity or snowball sampling technique. It was anticipated that individuals who agreed to participate in this research would know other individuals from family businesses who might be interested in participating. Family and friends who had reputable careers were also asked to help provide referrals. Each and every new referral was scrutinized to determine if they satisfied the set of sampling criteria before being included in this research. This new sampling approach generated 25 willing participants who wanted to take part in the research. Due to scheduling issues, two of the potential participants were not able to participate. Before contacting the new potential participants by phone, the referring party was asked if they could call the referred party in advance to ask whether they would be willing take part in this research. These reference calls significantly increased the acceptance rates of the referred participants. When contacting the potential participants by phone, I made it clear who had referred them and provided general information about the research. Establishing a commonality with the participant through knowing the same person was a good starting point to facilitate a mutual relationship that would allow for a better and uncensored flow of information.

Finding and reaching predecessors directly was also challenging. When this was not possible, successors were asked if they could provide their predecessors' contact information or whether they could directly ask predecessors if they would be willing to take part in this research. A few of the predecessors were not interested and most were simply not available. In two cases, the successors reported that their predecessors had passed away.

The sampling process took place over a six-month period, which started approximately one month earlier than the data collection period. Over this time period, a file of possible referrals was developed and updated continuously. To maintain the

momentum of the sampling process, I attempted to schedule individuals as much as two to three weeks in advance. To limit interaction and prevent cross-contamination of views regarding how events/actions/interactions actually took place, attempts were made to interview predecessors and successors separately but within the same day. Once the individuals agreed to participate in the research, the interview was scheduled. With one exception, all of the interviews were conducted at the headquarters of the family business and at a time convenient for participants. The interviews were mostly conducted one-on-one in private settings such as in personal offices or conference rooms. All individuals were given personal thank you calls two to three weeks after their participation.

In the end, participants came from 19 family businesses (FB). Eighteen of the family businesses were 100% family owned and operated, and could be classified as mid-size firms based on their revenues and number of regular employees. Only one FB was a publicly traded company where the family still controlled the majority of the shares and family members were involved actively with the management of the company by occupying the positions of chairperson, CEO, sales and marketing director. In total, from the 19 family businesses, 26 individuals agreed to participate in this research; 17 were successors and nine were predecessors. To ensure that theoretical saturation was achieved, after identifying the coding categories, their properties and relationships based on the initial set of 21 interviews, five new cases were added to the sample in the following year. There were two reasons for pursuing additional cases: (a) to test if the existing categories, properties or relationships were supported and if new ones emerged, and (b) to try to increase the number of predecessors in the sample size, which increased to nine with the two new additions.

From the data it emerged that most of the participating successors were middle-aged males with a university or higher degree education. The predecessors, on the other hand, were usually over the legal retirement age (65 years in Turkey), were all males, and most had only equal to or less than a high school diploma. Predecessors were mostly majority shareowners while successors were minority shareowners. A summary of the characteristics of the family businesses and interviewees participating in this research is provided in Table 1 below.

Table 1: Characteristics of research participants

A. Family Businesses	N = 19
Industry	
Construction	21% (4)
Textile	16% (3)
Food and Beverage	11% (2)
Legal Service	5% (1)
Automotive	5% (1)
Optic Supplies	5% (1)
Tourism	5% (1)
Freight	5% (1)
Number of Employees	
49 or less	37% (7)
50-99	37% (7)
100-250	10% (2)
251 or more	16% (3)
Location	
Istanbul	74% (14)
Izmir	21% (4)
Ankara	5% (1)

B. Interviewees	Successors N = 17	Predecessors N = 9
Average age (S.D.)	44.5 (5.0)	70.7 (4.5)
Gender		
Female	12% (2)	- -
Male	88% (15)	100% (9)
Education level		
Graduate degree	30% (5)	12% (1)
Undergraduate degree	64% (11)	22% (2)
High School diploma	6% (1)	44% (4)
Less than 12 years	- -	22% (2)
Relationship in dyad		
Parent		100% (9*)
Child	94% (16)	
Nephew	6% (1*)	
Official position		
Chairman	- -	22% (2)
CEO	35% (6)	44% (4)
General Manager	35% (6)	- -
Department Head	18% (3)	12% (1)
Partner	12% (2)	12% (1)
Honorary Title	- -	12% (1)
Share ownership		
Majority	35% (6)	66% (6)
Minority	75% (11)	34% (3)

* The uncle of the nephew is the father of the actual successor. The nephew was present during the interview because he was invited by the predecessor to participate.

3.3. The Data Collection Process

Data for this research were collected through different means that could be categorized into primary and secondary sources of data. The primary means of gathering data for this research was through in-depth interviews. The secondary sources were company and third-party generated materials that provided information about, but not limited to, the operations of the family business, organizational history, family member relations, and the family's and/or participant's worldview.

3.3.1. *Primary Data Source*

In-depth interviews were the primary source of data for this research. The interview questions and the inquiry style took their final shape out in the field while actually interacting with the participants and collecting data. This evolution was a result of moving from testing to discovery and then from discovery to the verification stages of the data collection process. From the initial design to the field version, the interviews evolved to allow participants to express their thoughts, experiences and stories about the central research questions freely without forcing them to talk about issues relating to predetermined categories that I might have had.

Having independent experts provide feedback on the questions and inquiry techniques before going out in the field and during the first trials is not only recommended by Strauss and Corbin (1990b) but it also improves the chances of collecting rich data where a theory can emerge free from bias. In this regard, committee members' suggestions to improve questions that were too restrictive and their help with developing better inquiry techniques significantly improved the breadth and depth of the data collected. In addition, prior to the interviewing process, two pilot interviews were conducted to revise and improve the instrument further. These pilot interviews also helped minimize my anxiety and practice my inquiry techniques.

The interviews started by providing basic information about the nature of this research and brief background information about myself. My association with a Canadian university influenced the establishment of rapport, which was critical to the interview process. This association provided me with additional legitimacy and increased trust levels regarding the handling of data and reporting of the findings. Before starting the interview, participants were assured that confidentiality was a priority and that their

data would be kept secure and handled with care. Participants were also informed that they could stop the interview whenever they wanted, choose not to answer any question(s) and/or withdraw their data from the research at any time up until it was published. Each participant was asked to sign a form (Appendix C) in which they were informed about their rights, and a copy of this document was given to them. To protect the anonymity of the participants, both family businesses' names and respondents' names were replaced with an alphanumeric code (i.e. "FB-*number*" for the family business). Depending whether the participant was a successor or a predecessor, the letter "S" or "P" was placed after the alphanumeric code, i.e. "FB-*number. S or P.*" If there were several people interviewed from the same organization, an additional number was added, "FB-*number. S or P number.*" The alphanumeric codes given to the participants are presented in Table 2 below. None of the participants declined to participate in the research, and except for one predecessor (FB-3P), none objected to the interview being voice recorded; however, that one predecessor did allow handwritten notes to be taken during the interview. The length of the interviews varied between 45 minutes to two-and-one-half hours, and process notes were taken immediately following each interview.

The interviews began by asking participants to provide information in their own words about the family firm (i.e. when/how/by whom was it established, its history up until now and future expectations), their personal and career history and family involvement with business. These questions were then followed with inquiries about event/action/interactions that transpired after the succession in the organization, in the family and between the predecessor and the successor. Participants were encouraged to explain from their own perspective how events/actions/interactions transpired and what their reactions and feelings were. To learn the outcomes of these post-succession events/actions/interactions between the predecessors and the successor, participants were also asked to elaborate what they thought was the most significant outcome. Before concluding the interviews, demographic and personal information was collected from the participants (Appendix A).

Table 2: Alphanumeric codes for participants

Family Business (FB)	Successors (S) N = 17	Predecessors (P) N = 9
Successor-Predecessors Pairs (N = 5)		
	FB-1.S	FB-1.P
	FB-2.S	FB-2.P
	FB-3.S1	FB-3.P
	FB-3.S2	
	FB-4.S1	FB-4.P
	FB-4.S2	
	FB-5.S	FB-5.P
Successors only (N = 10)		
	FB-6.S	
	FB-7.S	
	FB-8.S	
	FB-9.S	
	FB-10.S	
	FB-11.S	
	FB-12.S	
	FB-13.S	
	FB-14.S	
	FB-15.S	
Predecessors only (N = 4)		
		FB-16.P
		FB-17.P
		FB-18.P
		FB-19.P

The initial inspiration and guidance for developing the research questions for this explorative study came from the case studies conducted by Sonnenfeld (1988) and Cadieux (2007), who were also interested in post-successions predecessor involvement with the family business. However, it is important to note that the interviews were not designed in such a way that a set of structured questions were asked in the same order all the time. Depending on the pace and information provided by the participants, the wording and order of the questions were modified during the interviews. To encourage participants to tell their own story at their own pace, I waited a maximum of seven seconds before I continued with a clarification or a new question. This "taking a pause" technique was recommended by a committee member of mine to allow participants to organize their thoughts and to encourage them to provide more detail about their answers. When needed and appropriate, participants were encouraged to provide more details by asking follow-up questions such as "can you give an example?" and

"when/where/how/why did it happen that way?" During the interviews, participants were encouraged to take the lead and express their thoughts freely without interruption (Pieper, 2007). The general order of asking questions was organized in a way to allow participants to provide information about events/actions/interactions that was easy to recall and not too personally sensitive. The aim was to help participants feel comfortable and be committed to the research before moving onto the personal questions.

3.3.2. *Secondary Data Sources*

Secondary data for this research came from two different sources: company generated materials and third-party generated materials. The secondary sources were used primarily to gather additional information about the family business, the family and the participants. In some cases, the secondary data confirmed some of the information that was provided by the participants during the interviews. Events that took place in the public eye also provided a starting point to discuss matters that were personal in nature.

3.3.2.1. Company generated materials

From each of the family businesses company generated materials such as annual reports, company brochures and other communication materials were gathered and included in the analysis. Company websites were also an important source of secondary data. By law, in Turkey, every commercial corporation should have a website; thus, website content was also searched and included in the analysis. The goal for searching and acquiring additional information sources was to become familiar with the family business, gain insight into their industry sector, and to confirm and extend primary interview data.

Company generated print material was obtained for most of the family businesses (15, or 79%). Similarly, most businesses (17, or 89%) also had a functioning website. The content on the websites included information about the companies' history, the industry they operated in and the range of products and services they provided. A number of these websites (five, 26%) also contained information about the family, the current CEO and links to third-party data sources. These secondary data were not formally analyzed using computer software; however, summary reports were written and memo notes were taken. Information gathered through these reports and notes was used both during the interviews, to gather more information from the primary source, and to analyzing the data, so that I could understand properties of certain categories better.

3.3.2.2.   Third-party generated materials

In addition to company-generated materials, independent third-party generated materials from print media and the Internet were also searched. The intention was to obtain supplementary information about the participant, the family, the business and the sector, to see if it corroborated or differed from the data provided in the interviews. Additional data gathered through third-party generated materials corroborated the interview information for four participants (FB-12.S; FB-13.S; FB- 16.P; FB-17.P). For example, in one case the participant (FB-17.P) was videotaped while giving a speech at a university as a guest speaker. The views he expressed in that videotaped speech were the same as those expressed during the interview. In another example, because the family business (FB-13) was a large publicly traded company, the events and interactions that transpired between the predecessor and the successor (FB-13.S) were reported in national media outlets. Access to this kind of information made it easier to initiate questions regarding this sensitive matter, and since this particular predecessor's participation was not available for this research, it at least provided his official view and comments on the matter. To protect the anonymity of the participants, references to third-party generated materials are not reported in this paper; however, a record was kept for review by the committee members.

With the start of the data collection process it quickly became clear that an efficient and effective means was needed to organize and structure the large amounts of data. Computer software developed particularly for qualitative type research addressed these needs, and provided additional benefits. Thus, for this research the computer aided qualitative data analysis software (CAQDAS) NVivo8 was acquired and used. The following section will discuss the advantages and the disadvantages of using CAQDAS, as well as the motivation behind my choice for utilizing the NVivo8 software.

3.4. Computer Assisted Data Analysis

Much has been written about the use of computers in qualitative data analysis. Some have commented that this could contribute to the rigor of the study and help the theory building process by allowing an efficient way of storing, coding and retrieving data (Bringer, Johnston and Brackenridge, 2006; Welsh, 2002), while, others have expressed concern that the software may hinder the natural emergence of theory by limiting or

guiding the researcher in a particular direction (Kelle, 1997). Since software programs offer similar functionalities, the usefulness of software does not depend on its capabilities, but relies on researcher intentions and the ability to utilize the software's functions properly.

When used properly, CAQDAS serves to facilitate an accurate and transparent data analysis process while also providing a quick and simple way of counting who said what and when, which in turn provides a reliable, general picture of the data (Gephart, 2004; Morison, Moya and Moir, 1998; Richards and Richards, 1994). Despite the long list of capabilities that various qualitative research software products claim to possess, their basic purpose and strength is to efficiently "code-and-retrieve" data by allowing the researcher to index (organize), link, search and create memos about it (Kelle, 1997). If done properly and efficiently, this could save researchers time, freeing them to be more creative and to explore new relationships (Fielding and Lee, 1998; Kelle, 1997). The search functionality of CAQDAS could add rigor to the analysis process by allowing the researcher to carry out quick and accurate searches of a particular word, list of words, synonyms or phrases (especially if the data set is large), and can add to the validity of the results by ensuring that all instances of a particular usage were found (Welsh, 2002). In addition, CAQDAS can facilitate transparency and traceability by allowing the researcher the ability to save a wide variety of data under a single file, making it easier to store, duplicate and transfer, and can be used to prepare reports showing in detail when and what step were taken while analyzing the data (Bringer et al., 2006).

Extensive utilization of "grounded theory" terminology (Lonkila, 1995) can create confusion among novice researcher regarding what CAQDAS can and cannot do. Function names such as "data analysis" or "model development" could imply that the software could take over the responsibility of the researcher and, for some, in order to minimize or eliminate bias brought upon by human interpretation, this could sound appealing. However, not only does CAQDAS lack the capability to conceptualize or interpret data, but it is an unacceptable practice in interpretive epistemological approach to substitute human interpretation with a computer algorithm (Bringer et al., 2006; Kelle, 1997). Thus, researchers have to be aware that CAQDAS cannot actually do the data analysis or theory building for them.

Welsh (2002) excellently summarizes what a CAQDAS can and cannot do for a qualitative research by using a rich tapestry analogy, presented below:

"The software is the loom that facilitates the knitting together of the tapestry, but the loom cannot determine the final picture on the tapestry. It can though, through its advanced technology, speed up the process of producing the tapestry and it may also limit the weaver's errors, but for the weaver to succeed in making the tapestry she or he needs to have an overview of what she or he is trying to produce." (p. 6)

3.4.1.   Motivation for using NVivo8

When choosing a CAQDAS, researchers' needs and their ability to utilize the software's functions properly are significant factors to be considered (Lewins and Silver, 2007). The sheer volume of data that began piling up as soon as this research began and the necessity to properly organize and code the data meant there was a need for the efficiency of a software. NVivo8 was selected after reviewing and comparing the advantages and limitations of several potential CAQDAS options.

Although not unique to NVivo8, the ability to integrate different types of data, help visualize relationships, provide a creative search function, memo and generate summary reports made this software appealing. NVivo8's ability to integrate (i.e. combine, code and link) different data sources (i.e. Word files, PDFs, mp3 files of the interview recordings, images, web addresses and video footage) under a single file allowed an efficient means to store large amounts of varying types of data in an organized way and made it easy to create backups for future references. NVivo8 provided functions that simplified visualizing relations between pieces of data, creating the opportunity to discover new relationships, and encouraging conceptual thinking and better reporting of the data analysis results. The software's detailed and creative "search" function permitted examining for pieces of information that might otherwise have been missed or overlooked during coding. The ability to create a memo at any point, search for it, link it to any piece of data or leave it independently was also an important point of consideration. The reporting function was also useful for creating summaries regarding the attributes of the participants and displaying connections between linked pieces of data.

Another reason why NVivo8 was preferred over similar CAQDAS was familiarity with the software and access to support functions. A limited older version of this software (a student version of NVivo3) was previously used for a different research project. Although significant improvements and changes had been implemented in-between versions, familiarity with terminology and knowledge of basic functions significantly

shortened allowed the learning curve. In addition, access to expert users of this software meant that when a question or problem arose, finding quick, hands-on help was easier.

The following section will provide a detailed description of how the data were analyzed using NVivo8. All of the clerical work transcribing, organizing, coding and memoing (except for those memos that were made right after the interviews) were done with the CAQDAS. However, none of the interpretive work conceptualizations or model development was left to the software.

3.5. The Data Analysis Process

Data analysis for this research began as soon as first data were collected, in keeping with Merriam's (1988) and Marshall and Rossman's (2006) contention that data collection and data analysis must be a simultaneous process in qualitative research, and in order to follow the guidelines set by Glaser and Strauss (1967) and Strauss and Corbin (1990a) for conducting grounded theory research. The process involved distinct yet overlapping steps including the coding of the data, the development of categories and properties based on the data, as well as relations across categories and their integration into a substantive theory.

The first step was to create electronic files for each case in which the following items were to be placed: transcriptions, memos, any secondary data material (relating to the participant, as well as his/her family and business), and the original voice recordings. Once these files were established, after each interview the voice recordings and field notes were transcribed as soon as possible. Process notes including themes, hunches, interpretations, ideas and interesting quotes were noted as memos and attached to the electronic file (Miles and Huberman, 1994).

Once an interview record was transcribed, I started coding using the guideline provided by Strauss and Corbin (1990a). Transcriptions were read line by line, and a new code was created whenever a statement was discovered that indicated an incident not yet covered by any of the previously introduced codes. Coding properties of incidents such as context, interaction among parties and consequences also were noted freely (Strauss and Corbin, 1990a). As the number of interviews increased and the coding process continued, evidence from new cases was compared continually to the existing codes while remaining open and sensitive to the emergence of new incidents

not previously covered. This continuous comparison and emergence of new codes accounts for theoretical sensitivity in grounded data analysis and is a central requirement (Glaser and Strauss, 1967). The following figure (Figure 3) illustrates a first-level free coding of a successor (FB-13.S.1) who was complaining how his father's (FB-13.P) post-succession comments made him feel.

Figure 3: Sample first level coding - NVivo8 screen shot
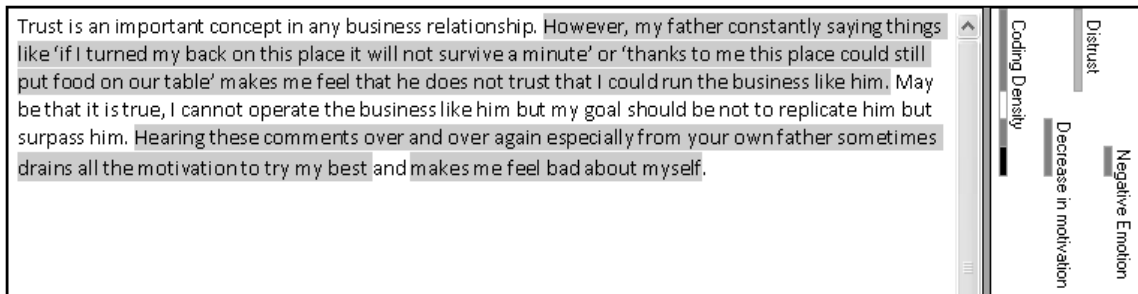
Following Gioia, Corley and Hamilton's (2012) grounded theory data analysis recommendations, after finishing the initial first-level coding, each code was re-examined to ensure that they accurately represented the incidents to which they were assigned and to determine whether some codes should be split, combined or renamed. As the research and analysis progressed, similarities and differences among the many first-level categories were continually noted. This was consistent with Strauss and Corbin's (1998) notion of axial coding and it was instrumental in moving towards developing higher order categories (i.e. code families). Moving to the second order categorization, or in other words, grouping first-level codes into code families, reduced the germane categories into a more manageable number and allowed me to determine whether the emerging code families suggested concepts that might help describe and explain the phenomena I was trying to observe (Gioia, Corley and Hamilton, 2012). Code families were further linked to higher order concepts, which I called "themes." This higher-level conceptualization was necessary to make the emerging framework more solid by using parsimonious concepts with higher explanatory power (Pieper, 2007). Table 3 below shows the progress from initial coding to higher-level categorization (i.e. code families), as well as, the concepts (i.e. themes) they related to. The number in parentheses next to each code refers to how many times this code was used to denote a text passage.

Table 3: Example of code groupings

Codes	Code Family	Themes
Happy (27) Trust (22) Good (14) Satisfaction (11) Enjoyment (6)	Successor Positive Feelings	SUCCESSOR EMOTIONS
Distrust (18) Sadness (11) Strain (8) Disappointment (7) Anger (6) Frustration (23)	Successor Negative Feelings	

Since this research collected data from two different groups of participants (predecessors and successors) and was interested in both relations and organizational outcomes, the themes were further categorized according whether they were related to predecessor actions, successor reactions, relational outcomes or organizational outcomes. This further categorization of data was done to develop a more parsimonious conceptual framework for explaining the outcomes of post-succession predecessor involvement. Following the conclusion of the data collection process, three months were spent reviewing and finalizing the data analysis. It was during this stage that the last refinements to the code families and themes were made, and their final relationship to the phenomenon being researched evolved. Table 4 below shows the progress of date aggregation from lower to higher-level categorization. The significance of aggregating and presenting data the way demonstrated by this research provides the opportunity to configure a sensible visual aid that shows the progression from lower-order categorizations to concepts, which propositions of theories can be built upon (Gioia et al., 2012). In addition it is considered a key component of demonstrating rigor in qualitative research (Pratt, 2008; Tracy, 2010).

Table 4: Code families, themes and final Categories

Code Family	Themes	Final Category
Occupied Space	Post-succession Symbols	Predecessor Actions
Official Title		
Frequency of The Action	Dimensions	
Scope of The Action		
Style of The Action		
Trust Level	Reasoning for Actions	
Predecessor Personality		
Patriarchal Family Tradition		
Interest in Alternative Activity		
Requisition of The Action	Contextual Factors	
Level of Formalisation		
Legitimate Power		
Positive Feelings	Emotions	Successor Reactions
Negative Feelings		
Anticipation	Factors Influencing Emotions	
Courteousness		
Perceived Intentions		
Managerial integrity		
Visible	Behaviors	
Not made visible		
Expectation of Change	Factors Influencing Behaviors	
Family Upbringing		
Functional	Functionality	Relational Outcomes
Dysfunctional		
Expectations as a Parent	Importance of Family Relationship	
Expectations as a Child		
Interpersonal Relationship Strengthened	Interactions on Family Relationship	
Interpersonal Relationship Hurt		
Survival	Wellbeing of the Organization	Organizational Outcomes
Growth		
Contribution to Strategic Decision		
Preservation	Attention Reasons	
Validation		

At this point it is important to mention and emphasize that data analyses in qualitative studies rarely progress in a linear fashion. The iterative process of data collection and data analysis led to the discovery of an important relationship that was overlooked during the previous coding. This meant previously collected data had to be re-examined and coded, and future interviews had to be revised to include questions that provided more insight into this new discovery. Although detailed information regarding this finding will be presented in the findings section, in order to illustrate how data collection and analysis did not follow a linear developmental line, a brief overview how this discovery influenced the data analysis process will presented in this section, as suggested by Gibbert and Ruigrok (2010).

At first it appeared that the level of predecessor involvement was negatively correlated with the successor's reactions. However, analysis of one particular participant's (FB-8.S) interview data became the starting point for approaching the above relationship differently. In this case, after the succession the predecessor had no involvement with the organization. However, instead of being happy with this non-involvement situation, the successor was significantly unhappy because he wanted his predecessor to be involved. This case indicated that successors' reactions were also influenced by their expectations regarding their predecessors' post-succession roles. This discovery required me to review previous interview data, wherein similar comments were discovered. Once this discovery was made and supported, future data collection and analysis were revised to learn more about predecessors' and successors' expectations from each other and whether these expectations were met or not. Without the iterative process and ability to revise the data collection course, this important contribution could have been overlooked as an outlier.

To minimize bias and further improve the reliability of the process, the help of an independent business faculty member who is familiar with qualitative studies was obtained. Six cases collected from different time periods of the research as well as my coding guidelines were given to this individual (participant anonymity was protected) for independent coding. Free rein was given to the independent coder to go beyond my coding guideline, and to identify new ways of coding and new words for the codes. Comparison between the two sets of coding revealed 83% agreement, which gave me confidence in the validity and reliability of the initial coding process. The minor differences were mostly due to redundancies and the choice of words used to name

codes. After careful deliberation, all of these issues were resolved quickly. The independent coder also helped control whether the translation of the labels for codes, code families, themes and categories from Turkish to English were accurate and appropriate. This was especially crucial because selection of a word or a phrase indicates a conscience choice made about their significance in a given context (Bliss, Monk and Ogborn, 1983).

The analysis process was finished when the primary objective had been achieved, the emergence of a framework that was grounded in the data and capable of explaining varying behaviors and their outcomes. What this objective meant for this research was that, for each participant, the framework had to explain how post-succession predecessor behavior affects the dyadic relationship between the successor and the predecessor. To ensure this objective was achieved, the cases were reviewed to see if there were any incidents that related to the central research interest but were not covered by the framework. Absence of such incidents led me to conclude that the emerged framework was complete.

3.6. Reporting the Findings

The descriptive framework that emerged from the analysis is grounded in data and the findings are presented in a way to represent the inductive methodology used for the research. In accordance with this "bottom-up" theory development methodology, the general findings are supported with appropriate evidence, which comes in the form of respondent quotes, percentages, secondary data and supplementary theories. Generalizations based on the observations allow for the development of propositions that parsimoniously describe relationships among the actors, concepts and outcomes. The aim is to facilitate audience appreciation and evaluation of the suitability of the data, and to understand the ways in which the framework emerged from the collected responses. When reporting the findings, the converging and diverging points of view of predecessors and successors regarding their own and each other's post-succession decisions, behaviors and outcomes are presented together. This provides the opportunity to triangulate the results, and to juxtapose and explore how and why there might be differences or similarities between predecessors and successors in their reported discussions (Sharma et al., 2003).

4.   Findings and Model Development

In family businesses, transfer of the top managerial title, authority and/or responsibility from one generation to another does not mean predecessors' interactions with the organization or with its stakeholders have to end. The interlocked spheres of "family" and "business" provide predecessors several other opportunities to continue their interactions and influence peoples' perceptions, emotions and behaviors. Among the various ways of continued post-succession interactions, the most important one is between the predecessor and the successor, due to the direct impact the dyadic interaction has on both the quality of the family harmony and the wellbeing of the organization (Danes et al., 2000; Stewart and Danes, 2001). This dyadic post-succession interaction starts with predecessors' actions. Any and every decision made or behavior performed by predecessors is followed by successors' interpretation and response to it. In this dyadic interaction, perception about the action matters more than the actual action itself.

To determine how this important dyadic interaction fares in family business, it becomes vital to understand predecessors' actions, successors' reactions, and the factors that influence both of them in detail. Thus, this chapter will start by discussing the various predecessor actions displayed after the succession and explain the factors that contribute to this variation. Next, successors' reactions in response to their predecessors' post-succession actions will be presented, along with the factors that influence their perceptions. Finally, the chapter will conclude with a discussion showing how post-succession predecessor-successor interaction affects individual level relationships and the organizational wellbeing.

4.1. Predecessor Actions

4.1.1.   Dimensions of Post-Succession Predecessor Actions

After a succession takes place in a family business, predecessors have the option to stop being involved with the family business or to continue their involvement. The first option of ceasing any involvement with the family business is an action relatively easy to identify and categorize. When a predecessor chooses not to be involved with the family business we cannot ask "how they are not involved?" Instead, we can only explore why they chose this option and what implications this might have on the organization and on the stakeholders. However, the second option of continued involvement with the family business requires more detailed categorization because not all involvement behaviors are the same.

From the beginning of the research it quickly became clear there were significant differences between post-succession predecessor involvement behaviors. It quickly and consistently emerged that participants differentiated predecessors' post-succession involvement behavior based on how often it occurred, how intense it was and how wide an influence it had. All predecessor post-succession involvement behaviors mentioned in this research included a frequency, style and scope dimension. Even the successor (FB-8.S) who wished his predecessor had been involved explained his desire, clearly indicating a frequency and style recommendation. Detailed information regarding the dimensions and how they emerged from the data are explained next.

4.1.1.1.   Frequency

This dimension refers to how often predecessors think they get involved with the family business and how often successors think their predecessors get involved with the family business. The frequency of a predecessor's involvement action could be described as a continuum where at the one end there is barely any noticeable contact with the organization or its stakeholders, and on the other end, there is constant contact with the organization or its stakeholders. Too little involvement could be interpreted as a predecessor trusting his/her successor and not wanting to appear as if he/she is constantly monitoring him or her. Too much involvement, on the other hand, could be perceived as lack of trust towards the successor and a desire to continually monitor his/her every decision or behavior. Thus, the perceived frequency of the predecessor post-succession involvement is significantly important.

Predecessors who indicate monitoring the events in and around the organization on a regular basis, physically being there, examining official reports, keeping in touch with different stakeholders and/or taking part in the decision-making processes, are considered to have a high frequency of involvement. The following example shows a predecessor describing the frequency of his involvement, which is close to the higher end of the continuum.

> "You could say I am highly involved with the business. I mean how could I not be. Any moment something, couple of thousand kilometers away could impact us. Decisions have to be made quickly so you have to be on top of things. To be on top of things I have to be at work earlier than everyone else and work harder than everyone else. I do not have the luxury to relax just because this is a family business." (FB-16.P)

On the other hand, predecessors who report not coming to the office regularly, seldom checking reports and trying to avoid taking part in decision-making processes are considered to have a low frequency of involvement. The following example shows a predecessor who has significantly decreased the frequency of his involvement.

> "I would be happy to leave everything to my son and retire and never have to come here [he resides in a different city and not in Istanbul where the family business headquarters are]. But in life we all have certain duties and responsibilities. From time to time, I come here to consult with my son, learn his ideas for the future of our company and give him advice he might need.... He also does not like to deal with the media so when needed and wanted I help him with these matters too." (FB-5.P)

When successors report involvement experiences where they have to regularly report and update predecessors on organizational issues and/or frequently find themselves justifying their decisions and behaviors to the predecessors, this means their predecessors' involvement action is closer to the higher end of the frequency continuum. Similarly, when successors report having to deal with predecessors who regularly and actively want to take part in the decision-making process, their predecessors' involvement action is again considered high frequency. The following example shows a successor frustrated by working in an environment where at every turn he comes across his father and has to deal with him.

"Dad [the predecessor] was always here watching over my shoulder. At first I did not care about it much, I mean as long as it prevented me from making big errors, I would have been okay with it. However, after a while it became too much. Having to explain constantly to him why I bought that machine, why we invested in that project, why we had to change the office furniture was very tiring. On top, he always wanted to take part in every managerial decision I made. When this was not possible he demanded an explanation, wanted an apology and even tried to discipline me." (FB-14.S)

In contrast, when successors indicate that their predecessors rarely come to the office, seldom want or check the reports and do not actively pursue opportunities to take part in the decision-making process, this means their predecessors' involvement actions should be considered low in frequency. The following quote is an excellent example of a successor who is reporting low frequency of involvement on the part of their predecessor.

"After we took over dad started to come to the office from time to time check how we were doing or to deal with old customers who insisted on negotiating with him. They thought they could get better deals from him for old time sake. However, dad always politely directed them to us, while having tea and seemingly discussing business with them." (FB-9.S)

4.1.1.2. Style

Another dimension where predecessors' involvement varies is based on the style of the action. Sonnenfeld (1988) identified that predecessors could adopt four distinct post-succession predecessor roles *monarch*, *general*, *ambassador* and *governor*, ranging from total control (e.g. monarch) at one end, to giving advice only when asked (e.g. governor). However, most of the predecessors in his study were not from family businesses. The participants of this research described predecessor behavior either as an active attempt to try to force the successor's decisions and behavior to be in alignment with his/her own or as providing alternative views and solutions to the successor's without imposing his/her will or desires onto successors. These descriptions are similar to the "directive" versus "consultative" style leaderships (Bass, 1990; Pelletier, 2010). Thus, this two leadership style terminology was adopted as anchors to identify predecessors' post-succession involvement styles. It is important to note that similar to the frequency dimension above, participants were relatively polarized; when

describing their predecessor's involvement behavior, they mostly identified it as being either directive or consultative.

It is important to note that both styles of involvement could be interpreted positively and negatively. Directive style could be beneficial when there is not much time to debate and the successor is about to make a huge mistake that could negatively affect the family harmony and the wellbeing of the organization. However, when this style of involvement is used in high frequency it could lead the successor to brand the predecessor as a dictator who cares little about the successor's ideas and abilities. Studies show that when successors start viewing their predecessors as dictators, it negatively affects their motivation, quality of communication, efficiency and effectiveness within the organization. On the other hand, it might appear that the successor prefers the consultative style of predecessor involvement because he/she could get additional information, access to critical networks and draw on past experiences without having to share or defend his/her managerial authority. However, it should be remembered that the same successors have the potential to resent this involvement style because they could interpret it as predecessors not taking decisive action despite being aware of major threats or problems. Thus, appropriately identifying the post-succession involvement style the predecessor has adopted after the succession becomes relatively important because it could significantly affect the successor's reactions and the dyadic interaction.

When a predecessor insists that everyone in the organization, including the successor, follow his/her vision, conduct business according to the strategy he/she laid out and is only willing to adopt others' suggestions if it serves his/her own goals, this type of involvement action indicates a directive style of involvement. In the example below, a successor is describing how his predecessor (his father) dictates his own management over him and the organization.

> "I might be the general manager but it is my dad who is still running the business.... Whatever he says goes.... He might listen to you but once he makes ups his mind there is no going back. He will find a way to make sure you follow suggestion, if you could call it a suggestion." (FB-6.S)

When successors perceive that predecessors' only involvement is to provide suggestions, and they believe that the previous generation's views, desires, and alternative ideas are not dictated to them, then the involvement styles are considered

consultative. For example, the following quote shows a predecessor reporting his only involvement with the family business is as an advisory council, and since the succession, he has not dictated any managerial decision onto his successor.

> "I left all the management decisions to my daughter [successor] and the other partners [minority non-family member shareholders]... I am only here to deal with my old clients, until they get used to change in management. My role is to be a figurehead and provide advice based on my knowledge and experience. Whether they take it or not is their choice. My time leading this organization is over, now it is their turn to sweat and me to enjoy my extra time with my grandkids." (FB-19.P)

4.1.1.3. Scope

After the succession, predecessors can choose to be involved with the whole of the organization or decide to limit their involvement to a certain area or issue of the business. Being involved with the whole of the organization involves monitoring the whole of the organization and dictating decisions or giving advice about matters that would impact the entire organization and its stakeholders. The following example shows a predecessor describing an involvement action that involves the whole of the organization.

> "As a partner [the majority shareowner] and CEO it is part of my responsibility to make sure that the organization succeeds and this means I have to be vigilant about every aspect of the business.... Nobody looks after the property of the owner like the owner himself; thus, I always have to be alert and following everything on the factory floor." (FB-2.P)

On the other hand, when predecessors feel the need or want to help their successors in certain areas where they think their expertise could be beneficial, or when the successors perceive a desire for this within their predecessors, this type of involvement becomes limited in scope. Predecessors can choose to limit their involvement based on functional lines, divisional lines, specific issues, or specific customers. The two examples below show successors reporting how their predecessors' scope of involvement was limited. The first example is about a limited involvement based on functional lines, where the predecessor is only involved with the accounting department because of his profession.

> "My dad by profession is an accountant so after I took over I asked him to look after the accounting department.... This way he feels he is contributing to the business and I am free to focus on more important issues. In a way it is a win-win situation for both of us." (FB-15.S)

In the second example, the scope of the limitation is based on divisional lines, where a predecessor looks after the original store where the family business started.

> "Our business started from a single shop selling prescription glasses and turned into a larger venture where we are now exporting our own brand of contact lenses. Dad had a great role in this transformation but since his retirement, I have taken over the controls. This doesn't mean dad is at home doing nothing, instead he is now taking care of the shop that started it all and gives me advice on the corporate side when I need his wisdom, especially when dealing with politics, old suppliers and customers." (FB-7.S)

Predecessor involvements that have a wide scope could be real or perceived attempts to maintain or gain back control of the organization, while limited scope involvements could be perceived as genuine attempts to help the next generation without challenging their overall managerial authority. However, a limited scope does not guarantee successor satisfaction because it could also be interpreted as another attempt of the predecessor to try to secure a beachhead in their struggle not to concede total control of the organization. Thus, being able to identify the scope of the predecessor's post-succession involvement action becomes important in order to be able to later determine successors' reactions and the influence this has on the overall dyadic interaction.

Except for one successor (FB-11.S), all of the participants reported that there was continued predecessor involvement at their family business post-succession. One clear indicator of this continued predecessor involvement were the symbols surrounding it. All of the predecessors who continued to be involved with the family business had their own private offices at the headquarters and possessed formal business cards printed with their official titles after the succession. Without an exception, both of these symbols were observed for all of the cases where the predecessor chose to be involved with the family business.

The observance of involvement symbols might not have differed among the participants but their involvement actions did so along the three dimensions. An active

and regular predecessor involvement after the succession was reported by 15 (58%) of the participants (six [66%] predecessors and 15 [52%] successors), which meant they were describing a high frequency involvement. The rest narrated occasional involvement; thus, their post-succession predecessor involvement experience was categorized as low frequency involvement. In regards to identifying predecessors' style of involvement, similar percentages emerged; 15 (58%) of the participants (six [66%] predecessors and 15 [52%] successors) reported that the family business was sometimes or regularly managed according to the desires or needs of the predecessor. Thus, these involvement actions were deemed directive in style. On the other hand, 11 (42%) of the participants described an environment where the previous generation just shared their views, thoughts or knowledge and did not impose their will onto the next generation, indicating a consultative style involvement. Significant differences among predecessor involvements were also present with respect to the scope of their involvement. Only 14 (53%) of the participants (six [66%] predecessors and 13 [47%] successors) indicated that the decisions of the previous generation affected or had the potential to affect the whole of the organization. The rest provided clear explanations and examples indicating how and why the predecessor chose to limit involvement to a specific department or an issue.

Comparison of the participants and their categorized dimensions led to the discovery of two main types of post-succession involvement in family business. In the first type, the predecessor frequently dictates his/her vision about how the whole company should be managed post-succession. This type of continued predecessor involvement was reported by 11 (42%) of the participants (four [44%] predecessors and seven [41%] successors). To show how this particular type of predecessor acts after the succession, the following is provided where a predecessor is describing the situation in his company.

> "I have accumulated a lot of knowledge and experience about this business over the years. It would be a waste if I stopped guiding my son in the right direction. A lot of people depend on this company so I have to make sure it does not go down the wrong path. The way to do this is vigilance and by being constantly at the lookout. That is exactly what I am doing. On ships there is no democracy there is only what the captain says.…
>
> *[When I pointed out wouldn't his son be the new captain, he replied]*

"Yes, he is the captain but as the owner and former captain I have certain responsibilities and one of them is to make sure the new captain does not make big mistakes while learning how to navigate the ship.…" (FB-2.P)

In the second type of continued post-succession involvement, the predecessor seldom provides alternative suggestions, like a consultant, limited to only specific matters about the organization. This type of continued predecessor involvement was reported by eight (30%) of the participants (two [22%] predecessors and six [35%] successors). To show how the second type of predecessors continue to be involved with the family business after the succession, the following example is provided where a successor is explaining his predecessor's involvement with the company.

"He [dad] has an office upstairs but he rarely uses it even when he is in town [after the succession the predecessor had moved to another city]. He tends to drop by whenever I call him to discuss an idea I have and need him to use his influential contacts to get the wheels turning.… He also represents the company in media events because I do not like being in those situations, personally I think they are a waste of time, so he helps us out by continuing to be our media face." (FB-5.S)

An interesting fact about this example is that this description of the level of predecessor involvement was confirmed by the predecessor (FB-5.P). He himself also described his post-succession involvement as being low in frequency, consultative in style, and limited to certain issues.

Single participants described five other types of post-succession predecessor involvements. Table 5 shows the number of participants describing what kind of post-succession predecessor involvement is going on in their family business. Tabulation like this allows an efficient way to observe prevalent patterns and identify the exceptions. It also directs attention to need for better understanding the similarities and differences within and among participants. In the next section, factors that influence predecessors' post-succession actions are discussed in detail. First, explanations as to why the post-succession actions occur will be presented from the participants' perspective; next, contextual factors that set the stage for these actions will be discussed.

Table 5: Post-succession predecessor involvement types

Predecessors' Actions			Participant Perspectives	
Style	Frequency	Scope	Predecessors'	Successors'
Directive	High	Whole of the organization	4	7
		Limited to certain area(s)	1	1
	Low	Whole of the organization	1	1
		Limited to certain area(s)	--	--
Consultative	High	Whole of the organization	--	1
		Limited to certain area(s)	--	1
	Low	Whole of the organization	--	--
		Limited to certain area(s)	2	6

Notes: The numbers in each box indicate the number of participants

4.1.2. *Factors Influencing Predecessors' Post-Succession Actions*

When participants were explaining why predecessors behaved the way they did, the varied reasons differentiated along two factor levels, personal and contextual. Using a car on a road analogy the "personal level" factors represent the accelerator and the brakes of the car, while "contextual level" factors represent the condition of the road. Personal level factors could increase or decrease predecessors' willingness or need to be involved frequently with the family business. Personal level factors could also affect predecessors' preference for using one style of involvement over the other and the scope of their influence. However, like in the car analogy, road conditions are also an important factor in determining the speed of the vehicle. Roadblocks and rugged terrain could slow down or stop the car altogether. Contextual level factors describe under what conditions predecessors either get the opportunity to act in the way they desire or are forced to act in a certain way.

4.1.2.1. Personal level

At this level, the most influential factors were personal trust issues, personalities, patriarchal family tradition, and interest in alternative activities. All participants mentioned one or several of these personal level factors when explaining the reasons behind predecessors' post-succession actions. Significance of the factors and how the

participants described them will be examined before providing the information regarding their prevalence.

4.1.2.1.1. Trust issues

Family business and succession studies (Kets de Vries et al., 2007; Poza, 2007; Muntean, 2008) have repeatedly shown that predecessors' willingness and ability to trust their successors is an important factor in determining their grip on power and authority. The development of trust is an evolutionary process that begins with the potential successor getting involved with the family business (Handler, 1989); however, it does not end with the passing of the baton from the predecessor to the successor. Even after the succession, predecessors continue to evaluate their successors to see if they are worthy of the authority and responsibility given to them.

Predecessors have a hard time trusting non-family members or distant family managers. In family businesses, predecessors predominantly prefer to be succeeded by their children (when a suitable candidate is available); thus, their successor's ability to handle authority and responsibility becomes an important issue for them. For example, all of the predecessors indicated that they believed non-family or distant-family managers could not run the family business the way it should be managed, as would be done by a close family member. In the following quote, sharing his personal experiences, a predecessor explains why he does not trust non-family managers and why there should always be someone from the immediate family in charge.

> "No stranger could look after your stuff the way you look after it yourself. This is how it has been in the past and this is how it will be in the future.... Sure, you have to hire managers [referring to non-family type] but you should not leave the strategic and managerial control totally in their hands.... I have lived through and witnessed many examples of this case.... My best friend left his business to his kids, they hired a professional manager and never stopped by the office to check what was happening. Within three years they went bankrupt. I was a partner in several ventures where there were numerous partners, forcing us to hire professional managers to run the business, all of them failed quickly.... One thing I am constantly telling my daughter [his successor] never leave the top management to a professional, ask their advice but always be in control.... At the end, it is our family's name on the building and on the document, not theirs [referring to non-family member professional managers]. It is us who will have to answer our family, employees, suppliers and customers." (FB-17.P)

Predecessors' desire to see their offspring succeed them is not unusual considering the strong bond common between a parent and a child, and the high agency costs associated with giving control to distant family or non-family member managers. All of the predecessors indicated they preferred and were happy that their children were in charge of the business. One predecessor described his positive attitude towards having his child as his successor by stating:

> "Before the kids [including his oldest son, the successor] joined [the family firm], I never planned or thought that one day they will want to join or run the business and in fact I never asked them to join the company. If they had chosen to go their own ways or sell the business after I was no longer here, to use it as capital for other projects, I would have been okay with it. I even told this to them several times. They said no we want to continue and grow this business, so I gave them a chance. I took the back seat to see what they could do....
>
> I have to say a part of me is happy to see that they are running the business and trying to grow it even further.... Here we are generating economic benefit to the country through our exports, innovative technology, and employment opportunities. It would have been a shame to see this established venture being dismantled by the hands of a stranger.... It makes me happy to see that my kids who were raised and educated with the income of this business are now working hard to grow this organization that provides net benefit to the economy." (FB-1.P)

Despite predecessors' strong desire to see their children at the helm of the organization, it was interesting to observe that even when this was the case, not all predecessors reported unconditional and complete trust towards their successors. Four of the predecessors (44%) indicated they continued to be involved with the family business specifically because they wanted to test whether their successors were capable of running the business. These predecessors did not question their successors' technical knowledge or skills. Considering that all of the predecessors were proud of the quality and level of formal education they made sure their successors got, this was not surprising. However, these predecessors indicated that they wanted to observe if their successors could survive in real world business conditions. This sense of continued evaluation to determine whether a successor is worthy of the trust bestowed on him/her was best summarized by the following predecessor comment:

> "Trust is something earned, not given. He [the son] has to show me that he could run this business successfully. If he wants more authority or responsibility he should not wait for me to give it, he should demand it. Life is not a cuddly place, it is harsh, you have to be strong and willing to fight for what is rightfully yours. Until he shows me that he could survive in this environment and demands more authority I will be here looking after the business." (FB-18.P)

In addition to being a factor considered by predecessors in deciding whether they will continue their involvement with the family business or not, trust issues also influence the type of involvement action. The majority of predecessors (seven [77%]) indicated their involvement actions were influenced fully or partially by their trust of their successor. Four of these predecessors (FB-2.P; FB-3.P; FB-17.P; FB-18.P) indicated that in order to monitor their successors closely and measure their trustworthiness, they had to be highly involved with business. This meant frequently observing their successors' actions and being prepared to take charge when they perceived a shortcoming. Even the predecessor (FB-17.P) who limited his involvement predominantly to the manufacturing side of the business admitted this was because he was not confident his daughter could handle that side of the business, so he had to be on top of things.

> "Now my daughter is heading the company… I took on the responsibility to look after the manufacturing. Dealing with factory workers is not something you learn from the books. This is not an educated bunch; you have to be tough but respectful with them like a father would. I know these people and they know me. They know that they could not easily pull a fast one on me… She is not ready yet… I do not think she could handle the manufacturing side on her own so until her brother takes over I will be here taking care of things… I always tell my kids to be on top of things because if you are not, people will exploit that instance or in the name of good intentions do something very stupid. The best person you could trust is yourself." (FB-17.P)

Three of the predecessors (FB-4.P; FB-5.P; FB-19.P), who were confident that their successors could handle the challenges brought by their new responsibilities, did not want to be highly involved with the business. None of these predecessors desired to impose their own managerial vision onto their successors and two of these predecessors (FB-5.P; FB-19.P) additionally indicated that they saw no need to get involved frequently or to oversee the whole organization. The following example shows a predecessor

explaining why he thought there was no need for him to be frequently involved with the business because he trusted his daughter.

> "When I started doing this job I did not know it was going to grow like this. In the early times, we did not know whether we were doing the right thing or not. However, those days are over now. The company is experienced but more importantly, the people who are working and managing it are experienced.... My daughter [the successor] is a capable and well-trained lawyer and I am sure she and the partners will do their best to continue this good thing we have here.... When you trust the people who have the authority and responsibility, there is no need for me to worry or get involved too much with the way they are running the operation." (FB-19.P)

Two of the predecessors (FB-1.P; FB-16.P) and none of the successors brought up the trust issue when discussing post-succession predecessor actions in their family business.

This evidence suggests trust is an important factor that should not be assumed resolved with the succession event. Some predecessors could have unresolved trust issues towards their successors, which could lead them to decide that continued involvement is necessary on their part and to choose a type of action that would allow them a better opportunity to monitor and intervene when they think it necessary. On the other hand, when predecessors trust their successors they become less involved, less intrusive and limited in their post-succession involvement actions

4.1.2.1.2. *Personality*

Personality of the predecessor is an important factor in the success of the succession process (Kets de Vries et al., 2007; Miller et al., 2003; Nicholson, 2008; Poza 2008; Sharma, 2004). Twelve participants from nine family businesses (FB-2; FB-3; FB-4; FB-5; FB-6; FB-7; FB-8; FB-13; FB-14) indicated that predecessors' personality influenced their post-succession actions regarding whether or not to continue with the family business as well as the type of involvement.

The personality traits that influenced predecessors' post-succession actions the most were comfort with uncertainty, tolerance for mistakes and confrontational personality. The perception was that predecessors were uncomfortable with the uncertainty created by the succession process, meaning change in leadership and/or strategic direction of the organization. Thus, continuing to be involved with the family business in ways that they are familiar with could give predecessors comfort. In three

family businesses (FB-4; FB-6; FB-14), the successors indicated that continuing to be involved with the family business gave predecessors some direction, purpose and certainty for their life after the succession. For example, one successor, who is managing the business together with his younger brother, explains how they allow their father to remain involved with the family business so that he does not feel anxiety due to a change in his routine.

> "I think it is because my grandfather [father's dad] was a military man, dad is very systematic and particular with his ways. He has his own routine, when things do not go according to his plan he quickly gets agitated and aggravated.... After he retired he nearly drove mom crazy at home. Always stressful and butting in. She complained a lot about him... At first we thought we were going to make sure not have a generational struggle by allowing dad to intervene. A complete retirement for him. However, after realizing the stress he was in and the stress he was spreading around him because he was not comfortable with this aimless existence, we decided to allow him to be involved with the organization. Of course, this was a minimal involvement, just enough to give him something to do so he has structure in his life.... This became especially important after mom passed away. The business and us, that's the only thing he has, he knows and relates to." (FB-4.S1)

A later interview with this predecessor also confirmed that he liked knowing what was awaiting him in his life, and that by continuing to be involved with the family business, he avoided a degree of uncertainty.

> "For nearly half a century I woke up every morning knowing I had a work to go and a work to do. I woke up early, came to work before anybody else did, and worked until everyone left. This is the secret of our success. This is the attitude I tried to install in my kids and thanks to God, I see that they are taking care of the business in a very responsible way.... As a believer, I accept the notion of destiny, but even the prophet has said first take your precautions then accept the judgment of God. You have to have a plan for life, I do not like spending my time wandering around, and hoping the next thing that comes my way will be interesting or good for me. I taught my kids not to be like this as well. Coming to work every day after my retirement reminds me and employees here that I have a purpose and business is as usual. Instead of an old retiree spending his days waiting to die, I am facing the world head on and helping my kids to plan for the future....
>
> After my wife passed away, I was a like fish out of water, not knowing what to do. Staying at home became unbearable. The kids tried their best to take care of me but how could you fill a void left with the passing of

your beloved wife. This business, this office became my only refuge. It gave me something to do and some certainty in this ever-changing world...." (FB-4.P)

With respect to tolerating mistakes, predecessors who were not tolerant enough wanted to be in charge so that they did not have to deal with others' mistakes. This meant predecessors preferred involvement actions that allowed monitoring others, including their successors, in the organization and tell them what to do and what not to do. In four family businesses (FB-2; FB-3; FB-6; FB-13), successors reported that their predecessors had low levels of tolerance for mistakes and that their involvement was more directive. For example, one successor reported how his father imposed his will on to the organization and onto him to prevent what he believed were mistakes.

> "Dad has no patience for making mistakes or learning from mistakes. If you make an error, know that he will be in your face drilling your mistake into you and telling/ordering you how to fix it. That is why my brother stopped working for him. He could not take it any longer. Even in negotiations, if he feels there is something not right he will swoop in and sideline you.... He might not be involved with daily details now but whenever he feels there is something going wrong in the organization he will appear, taking charge and ordering around people and me as if he is still the manager of the business." (FB-6.S)

In contrast, the three successors (FB-1.S; FB-5.S; FB-7.S) who reported their predecessors had a high tolerance for mistakes also reported that that their predecessor had a more consultative style. As reported by one successor:

> "My dad believed that people learned best from their mistakes. After I graduated from the university, he brought me to the shop and told me I was now responsible for running it. I was proud and scared at the same time. What if I made a mistake and the business failed. A lot of people, family and strangers, depended on the business. Whenever I had the chance, I helped him with the business but was never in charge of the full operation. He would always tell me do not worry, what is the worst you can do? Fail the business, get us into debt? If that's the case we would sell some of our assets, pay our debt and start over, but in the meantime you would have learned a very valuable lesson that no person or book could have taught you. We are now bigger and stronger, all thanks to my dad not stressing about when I was going to screw up." (FB-7.S)

Predecessors with confrontational personalities did not shy away from repeatedly placing themselves in conflicting situations with their successors. In six family businesses (FB-1; FB-2; FB-3; FB-6; FB-13; FB-14), the successors indicated their predecessors' confrontational personality made them use directive style involvement more often than any other type of action. One successor even reported that he suspected his father often used a directive style involvement because he enjoyed the confrontation that came with it.

> "When he [Dad] wants something to be done, he does not care who he has to trample over to get it. He is not apologetic for his behaviors. One time despite all my warnings, objections and arguments, he went behind my back and made an agreement with a vendor, which turned out to be a disaster for us. Not only did the guy not provide us with the promised quality product, he cost us valuable customers, time and of course money... You might think he [Dad] might have learned his lesson. Not the case, he does not see any consequences for his direct involvement. Confrontation is not a discouragement for him but a way of doing business. I am starting to feel that he enjoys the constant fights and bickering between us." (FB-6.S)

Thus, when successors perceive their predecessors to be less comfortable with an uncertain environment they report predecessors to be highly involved with the family business. Higher frequencies of involvement could be attempts to spend more time in familiar surroundings doing familiar work, to achieve much wanted or needed certainty. In addition, predecessors who cannot tolerate dealing with others' mistakes and who do not avoid confrontation will be comfortable with continually monitoring their successors and intervening in the management of the family business without seeking consent. Predecessors with these personality traits appeared to be less hesitant to distance themselves from roles or behaviors that allowed them to counteract and/or conflict with their successors. In contrast, when predecessors tolerated their successors' mistakes and did not like confrontational situations, they had less need and desire to monitor and challenge the successors. Predecessors with these personality traits tended to be less eager to act in ways that imposed their will upon, counteracted or conflicted with their successors.

4.1.2.1.3. Patriarchal family tradition

Turkish family businesses are often governed by a patriarch who is free to exercise his own will in all managerial decisions (Tatoglu, Veysel and Glaister, 2008).

When predecessors value this patriarchal family tradition, they believe that family elders, especially the father, should be respected and obeyed at all times because the father carries the heavy burden of taking care of the family and keeping it safe. Patriarchal family tradition was an influential factor for 16 (61.5%) of the participants (seven [77%] predecessors and nine [53%] successors), who believed it encouraged predecessors to be frequently and decisively involved with the whole of the organization. The following example from a predecessor shows how he sees a connection between his patriarchal beliefs and his post-succession actions. From this following quote we can observe how predecessors view their continued involvement as a part of their natural paternal duty.

> "As a father it is my duty to look after my family, and when I say my family I am not just talking about my wife or kids; there are workers here and their families, who all depend on this business. A good parent takes care of the family, this is not a job you do 7 to 5; no, you do this all day, all the time 'til you die...
>
> This is what will make us stronger, the bond, and respect we have for the previous generation. Just like a father, you respect and do what he says and he protects you and takes care of you. I think this is what differentiates Turkish family businesses from European ones. Over there businesses are run like professional organizations, here they are run like a part of the family.
>
> If I do not get involved and leave my kids to fend for themselves, then as a father I would be neglecting my duties. For example, I took over the manufacturing side of the business because I know the people they had to deal with. Just recently, I caught one of our middle managers stealing from us. If I was not here looking after and controlling the business, he could have gotten away with it. By being here I am looking out for my immediate and larger family." (FB-17.P)

In addition, four predecessors (FB-1.P; FB-2.P; FB-4; FB-17.P) out of the seven who valued this family tradition believed their patriarchal values and behaviors were supported and ordered by their faith (Islam). For these four respondents, their involvement was not simply a behavior based on self-interest but a righteous duty that they had to follow, explained in the following example:

> "After retirement I got more time to catch up on my reading and started preparing for the other life [referring to the afterlife]. In all the books I read it is said that the kid is not responsible for the father's sin, but the father is

responsible for the kid's if he had not taught him what is right or wrong. I do admit that when raising the kids I made sure that they got the best education but neglected or was not very attentive to their religious education. You see, it is my duty as a father to make sure my kids are on the right path. I might be a bit late for my kids but at least I have to help them so that they do not make the same mistake as I did with their own kids.

God has created humans, man and women. Both sexes have their responsibility. For man it is to be the father, to earn a living for the family, to protect the family and to raise the next generation that knows and respects his heritage and faith. Every day I try to remind my kids of this fact and make sure they do not give in to temptation. I mean you have to remember that they did not build this company; they came to a profitable operation. Without trial by fire they may not know what path is correct for them. That is where I come in. I am here every day observing and telling them what to stay away from and how to do things right by other people." (FB-1.P)

Successors from six family businesses (FB-2; FB-3; FB-6; FB-8; FB-14) indicated that they believed their predecessors' family upbringing and the rough economic conditions of the time made the predecessors value the patriarchal family tradition. Bugra (1994) and Ramazanoglu (1985) describe the business environment in which these predecessors grew up and started their businesses as a harsh and fiercely competitive time. The authors explain that until the 1980s, Turkey did not have a liberal economy where there were open markets and free competition for goods and services. The state protected and subsidized certain business groups so that their products could compete with foreign imported goods. This policy prevented small and medium size businesses from growing and created a cutthroat competition among them to service the small percentage of the market to which these businesses could get access. These protective policies also led to limited export capabilities due to quality issues, making the markets and small-to-medium size family businesses vulnerable to the economic crises that sporadically hit the country. The participating successors realized that this family tradition conditioned their predecessors to monitor everything all the time and encouraged them to take directive actions. In the following example, one such successor describes how his predecessor was frequently involved with the whole of the organization in a directive style even after the succession.

"We have a very traditional family, when the elders [predecessor and his brothers who were partners as well] speak we [successor and his nephews] could only voice our opinions, but when the last word is said, we are only left with following their words.

…This patriarchal family structure is difficult and probably impossible to change. They were raised in a different time and under different circumstances than us. They believe you have to be constantly on top of things, be firm with your opponents and even firmer with your kids because that is the best way to protect and prepare them.

I know what they have done so far is to provide us with a better future and surely they have. But they can't switch off a way of life just because you tell them okay we are good now. I mean I wish they could, but they haven't and we have to figure out how to operate under these circumstances." (FB-8.S)

Another example from a second-generation predecessor shows how valuing patriarchal family tradition influences the involvement actions to be more frequent and directive in style.

"After dad [the predecessor] left the business to me [the successor] he went on to become the mayor of his village, yet he still keeps track of the business and attends important business. I mean, why do that? You already have a lot on your plate; people come to you all day with problems. Why would you want to keep involved with the business that your kids are taking care of? I will tell you why, because we are a traditional family and in these kinds of families, father knows everything and he knows best. Even when he is wrong, he is always correct.

[When asked about what he thought would happen when he is succeeded by his son, he replied:]

"I told you we are a traditional family. I might not be involved like in the past but I still have responsibilities and I could not just leave them. My kids would know that there is always someone they could come and ask for advice. The people who work for us will always see that they will not be sacrificed for the whims of the next generation trying to prove him or herself. Finally our partners and competitors will know the family is behind the business with all its resources." (FB-18.P)

There appears to be a positive relationship among predecessors' perception regarding their patriarchal duties and their frequency of involvement, insistence on getting things done in a specific way and the scope of their interest. The stronger

predecessors feel convinced they have a duty to protect the family due to traditional or religious reasons, the more they tend to be more involved with the family business as a whole. Similarly, the more strongly predecessors feel they have to act like a decisive patriarch, the more directive they become in their involvement actions, counteracting their successors' decisions and/or giving them less of a chance to object or suggest alternative actions.

4.1.2.1.4. Interest in alternative activities

Time and resource constraints make it difficult for people to do several things at the same time with high levels of efficiency and effectiveness. These constraints can become even more challenging with age, due to the decrease in physical stamina. Thus, when faced with alternative activities, older generations may focus their attention on a single activity rather than try to handle several at the same time. In family businesses, predecessors who represent the older generation, when faced with alternative activities outside of the organization, should decide where to focus their attention, time, and resources. The more interested predecessors become with alternative activities, the more they focus their attention, time, and resources on these activities rather than on the family business (Kets de Vries, 1993; Sonnenfeld, 1989). In addition, when predecessors believe they have spent their youth, health and resources for the firm, and that there is nothing out there waiting when they retire, predecessors will have less of an incentive to cease their involvement with the family business (Pierce, Kostova and Dirks, 2001; Sharma and Irving, 2005).

Four of the predecessors (44%) indicated that they remained involved with the family business because they currently did not view any other business or non-business activity as being as interesting or as valuable as spending time at the organization. In the following example one predecessor explains how he lacked alternative activities that were as stimulating as working in the family business; thus, he had no incentive to stop his involvement.

> "[with a smile on his face] Yes, my son is now the manager but where am
> I going to go... I like what I am doing, why should I leave? If there was
> something else that I enjoyed doing, I might be interested in spending

more of my time with it. However, I think it very unlikely that I will come across something that excites me enough to leave this business, where I spent more than half of my life, a company for which I shed blood[2] and worsened my health... I might leave the day-to-day management decisions to the professional managers but I will continue to give strategic direction to the firm and check on our professional managers." (FB-16.P)

None of the successors mentioned this factor when explaining the post-succession actions of their predecessors. In addition, unlike the other factors, "interest in alternative activities" was mentioned only by four predecessors (FB-1.P; FB-14.P; FB-16.P; FB-19.P), and only to explain their continued involvement with the family business rather than the type of involvement these predecessors chose to adopt.

The ways in which personal-level factors facilitate the need or desire to act in a particular way after the succession are only one part of the equation. The other part is the availability of an environment that allows the fulfillment of these desires or needs. The next topic discusses in detail the influence context has on predecessors' post-succession actions.

4.1.2.2. Contextual level

After the succession, predecessors may wish to behave in a certain way; however, desire by itself is not enough for an action to occur. Opportunities that facilitate or hinder predecessor involvement actions should also be taken into consideration. When predecessors find the opportunity and have the power, it becomes easier for them to act the way they desire. The contextual level factors that affect the availability of these opportunities are requisitioned action by the successor, degree of formalization and strength of legitimate power.

4.1.2.2.1. Requisitioned actions

Sometimes predecessors acted in a certain way because they had been asked to do so by their successors. A predecessor might display a particular type of post-succession involvement action simply because they are fulfilling a request. Nine (35%) of the participants (two [22%] predecessors and seven [41%] successors) indicated that

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[2] This participant, while on a business trip, was shot in his foot at a rest stop due to a mix up of identity. The participant reported that the perpetrators were caught and later confessed that they actually wanted to shoot another person who had a similar model and color car.

the post-succession predecessor actions were in conformance with what the next generation requested. For example, the seven successors (FB-4.S1 and S2; FB-5.S; FB-8.S; FB-10.S; FB-12.S; FB-15.S) who requested their predecessors' involvement wanted to benefit from the resources their predecessors possessed and the intermediary role their predecessors could play between different family factions. Two predecessors (FB-4.P; FB-5.P) indicated that their continued involvement was requested because the next generation wanted or needed to have access to their knowledge, networks and influence among family members. Accumulated tacit knowledge and personal network connections are valuable resources that could provide a sustainable competitive advantage for family businesses (Cabrera-Suárez et al., 2001). Thus, by keeping their predecessors involved with the family business, successors could prevent the loss of this competitive advantage.

The following quotes illustrate why successors value the resources their predecessors possess and how they would like to continue accessing these resources by keeping their predecessors involved with the family business. In the first example, the successor requests his father, the predecessor, to be frequently involved with the family business without placing any limitation on the scope of involvement. He requested this involvement because he feels there is much more that he and his brother could learn by observing their father.

> "After we [the children of the predecessor] joined the business dad wanted to leave everything to us, but we asked him to continue to be involved as actively as he could because we had a great deal more to learn from him. I mean he had spent his life trying to build this company, he knows all the ups and downs and not wanting to benefit from his wisdom and knowledge would have been stupid. To this day [his father passed away five years ago] I still whish he was here at his office telling us when we are about to make a mistake or how to handle a situation. I mean he knew all the important buyers and sellers in this industry, he had this ability to judge people and determine if they were good or bad to do business with. You cannot buy this kind of ability, but when dad was around, he provided it for free. I guess that is one of the advantages of being a family business." (FB-10.S)

In another example, the predecessor was reluctant to continue to be involved with the family business, but the successor requested that he continue his involvement to help her with the manufacturing side of the operation so that she could learn from his experience.

"Before I took on the full managerial responsibility of the corporation I used to work at the sales side of the business. I started first as a store manager at our factory outlet store, then moved on to head the local and export sales. After I became pregnant, I left the company, but when dad wanted to retire, I returned to manage the business. My brother and sister are helping with the finance and marketing side of the business, while dad became the chairman of the board. Shortly after I started, I realized there was more about the business than I thought I knew. Thus, I had to call dad out from retirement. I needed his help especially with the manufacturing of our products. Dealing with manufacturing employees is different from our other group of employees. In manufacturing you have to deal with unions, work accidents, finding and retaining a group of people with specific skills that you do not pay high wages in order to be competitive, all these were areas that I am not familiar with. That is why I am asking my dad to manage the manufacturing side of the business until I learn how to do it on my own.

…from time to time he complains that he is retired and that he would like to take a long vacation or not be bothered by getting stuck in the traffic but I tell him I will send him a car with a driver to bring him here. He knows these workers, he knows how to interact with them and how to get them to do things the way we want them to do it. So right now my dad might call himself retired but in reality we are asking him for the good of the company and the family to work for us a bit longer." (FB-12.S)

Two of the successors (FB-4.S1; FB-5.S) did not want their predecessors to retire completely after the succession because these successors wanted to be able to use their predecessors' business and political network connections.

"We call our dad our CEO because he is respected by the captains of the industry; he is known by the media and has good friends in high places. When there is a need to gain favor or talk with people from these groups we send our CEO and things get done way faster." (FB-5.S)

Possessing professional degrees or certificates could also lead successors to request their predecessors to continue their involvement. For example, one successor (FB-15.S) indicated that he had asked his father not to completely retire from the family business because his father was an accountant and, instead of hiring an outsider, he wanted his predecessor to continue taking care of the accounting side of the family business. It appears that continued predecessor post-succession involvement could be facilitated by the successor's request when successors want to have free or cheap access to their predecessors' knowledge, experience and networks.

In addition, three successors from three family businesses (FB-5; FB-8; FB-12) indicated they requested their predecessors' continued involvement with the family

business because these successors believed it decreased other family members' challenges to their authority. Their perception was that if the predecessor, as the patriarch of the family, continued to be a part of the management team and placed his seal of approval on the decisions, there would be less of a challenge from rival siblings and other family members. For example, the following quote illustrates the vital intermediary role successors expect from their predecessors.

> "There are my nephews who are way older and have worked here longer than I. We have several other [younger] nephews of mine working in other remote operations… We [him and his nephews] all know what our jobs are, what our responsibilities are. But we know it now. What happens if we want to start a new project or expand a current one? Markets change, we cannot always operate the way we do or indefinitely continue projects we have at hand right now. What happens when change comes knocking on our door? How do we reorganize the family and ourselves? Until we become a professional organization with a set of guidelines we will have to rely on dad to broker peace and harmony within the family and the business." (FB-8.S)

In another example, a successor uses his father's presence as an advantage against other family members. This successor, in his first attempt to lead the business, ended up returning the top management position back to his father because, due to his young age, his uncles did not take him seriously. However, in his second attempt several years later, he strategically made sure his father stayed with the business so that his father could use his position (being the eldest) in the family to oust the family members who objected to this successor's leadership from their roles in the family business.

> "I was fresh out of university and had worked at the company my whole life, so I thought I could easily run the whole operation. However, things were not as they seemed. When you are at the top, you start to see different angles that were not visible before. When you are a family business and there are many family members working in the firm, you have to tread lightly, especially if they are older than you are. Whenever I had a problem with them, I called dad [the predecessor] for help, but he told me that I was now running the company and I had to figure things out for myself. I tried my best but I was not properly equipped yet so I had to do a tactical retreat. I formally called dad back to take on the CEO position again and I went back to my old position.
>
> The next time, I was prepared. I learned that having dad around had its benefits so I made sure he did not feel as if he completely retired from the business. Working together with him, I was able to remove all the

troublemakers from the organization one by one. After seeing what happened to the troublemakers, the rest quickly learned who was the new leader of the organization. Now my brothers are starting to join the business, to prevent similar struggles happening in the future I am keeping dad by my side." (FB-5.S)

In another example, one successor indicated she needed her predecessor's help to break an impasse between herself and a distant relative who was trying to establish a competing business using the same family name.

"One of our nephews is planning to start a similar business with the same name. I have asked dad as the head of the family to help me resolve this issue. He is currently in negotiation with this nephew and his side of the family before the conflict becomes litigious and starts damaging the family." (FB-12.S)

In addition to affecting predecessors' decisions to continue their involvement with the family business, successor requests could also influence the nature of the involvement action. For example, five out of the nine participants who indicated that predecessor involvement was requested in their family businesses also wanted it to be frequent, while the rest wanted a lower level of frequency. Similarly, seven of these participants also wanted a limited scope of involvement, while the rest requested a wider one. However, it is important to note that a request for involvement or the lack of it does not guarantee that the predecessor will act the desired way. For example, a successor (FB-11.S) whose predecessor completely retired after the succession had repeatedly requested his predecessor to be an intermediary between the successor and his uncle; however, the predecessor refused and did not get involved again with the family business. In another case, the successors (FB-4.S1 and S2) wanted their predecessor (FB-4.P) to continue his involvement, but not regularly and limited only to issues brought to him. However, their father indicated that he was requested to get involved all the time to help with the whole of the organization. This shows that involvement requests could be ignored or misunderstood. The same is also true for requests asking predecessors not to get involved. Only two participants (FB-1.S; FB-14.S) reported that they asked their predecessor not to get involved and yet their request was ignored. In both cases, measures were taken by the successors to limit or eliminate their predecessors' involvement actions. Thus, wanting the predecessor to continue his involvement with the family business in a particular way may not guarantee that this will happen at all, much

less according to plan, but successors' desire for continued predecessor involvement makes this easier.

4.1.2.2.2. Degree of formalization

When there are no rules, guidelines or norms to explain what predecessors could or could not do in family business after the succession, it becomes easier for predecessors to act in any way they desire. The importance of this factor can be explained by drawing on the similarities people face living under absolute or constitutional monarchies. Absence of rules that define and limit rulers' authorities in absolute monarchies allow monarchs to behave whichever way they want, with no real concern for repercussions. However, having rules and guidelines, as in constitutional monarchies, can prevent rulers from doing whatever they want by informing monarchs about the existence of boundaries and the consequences of crossing them. Thus, having formal rules and guidelines could be perceived as a way to prevent or limit the type of behaviors predecessors could display post-succession. A recent survey of its 9000 registered members who own or work for a family business conducted by the Istanbul Chamber of Commerce found that 95% of the respondents saw a direct link between having formal rules and guidelines and the success of the succession and sustainability of the organization (Alacaklioglu, 2009). Another 2010 study conducted by the Deloitte consulting company among their Turkish family business clients showed that 57% either did not have any guidelines or did not have a complete, formal set of guidelines defining members' roles, authorities and responsibilities. According to this report, 76% of their family business clients desired to have a of formal set of guidelines, and 80% of them believed the absence of formal set of guidelines was the number one reason for the failure of family businesses.

Similarly in this research, 21 participants (80%) also indicated that having formal rules and guidelines was an important factor for the family business, the succession process, and figuring out the post-succession roles of the family members. Despite the importance given to formalization in family businesses, 11 (42%) participants, who were all successors (65%), indicated that their organization lacked formal rules and guidelines that clearly explained each person's authorities and responsibilities. Six (FB-2.S; FB-3.S1and S2; FB-6.S; FB-8.S; FB-14.S) of the 11 successors who reported a lack of formalization in their family business believed their predecessors exploited the situation, and that this was why their involvement actions were frequent, wide in scope, and

directive in style. In the following quote, one of these successors explains how lack of formalization provides an opportunity for his predecessor to be highly involved with the family business.

> "After the succession a weird situation emerged. On paper, it appears as if I am responsible for running the business but in reality, I do not know what my and my dad's new title is.
>
> *[It was interesting to observe the respondent, the successor, contact his father, the predecessor, to ask what titles should he say they use after the succession.]*
>
> I guess you could call me the general manager and my dad the CEO or Chairman. It does not matter because we have no formal structure or guideline that explains who should do what, when and how. He is still doing what he is used to doing and I am trying to figure out what my title is.
>
> *[He said this with a sorry smile on his face.]*
>
> ... I am pushing my dad and the organization to develop and adopt a set of guidelines explaining what each position's responsibility is. If we have this set of guidelines then everyone would know what they could and could not do and I could tell my dad that this is my responsibility area and he should not intervene... Right now, he doesn't know what a CEO or Chairman does, I do not know what being a general manager means." (FB-2.S)

Turkish successors and non-family managers frequently mention this "lack of formalization" factor when explaining their predecessors' continued directive style involvement with the family business after the succession. Alacaklioglu's (2009) and Alayoglu's (2003) studies of the Turkish family business sector reported that lack of formalized rules and guidelines, among other complications, leads to management problems in family businesses by allowing predecessors free reign to intervene with the firm whenever they want. Both report that lack of formalization could signal to predecessors and other stakeholders that even though the succession happened, business is as usual, nothing has changed, and everyone is doing what they should be doing. The following example shows how lack of restrictions could facilitate a frequent and directive style of predecessor involvement in family businesses.

> "After I was declared as being in charge of the organization, nothing really changed. We really never talked with him [his dad, the predecessor] what was I in charge of exactly. The next day he was in his room doing his

thing and I was in my room doing my thing and trying to figure out what was I supposed to do next, since I was in charge. This gave him more freedom. He was now free to do whatever he wanted and if things went bad I was the one responsible for the negative outcome. I am sure this was not his plan but how can you resist the freedom of running an operation with no consequences, where you could reap the whole benefits and not take any responsibility for the failures. I am sure if we had a discussion and agreed upon rules explaining our duties and authorities, he would have not have behaved as if he had free reign over the organization and things between us would have not turned so bad so quickly." (FB-14.S)

Six of these successors indicated that had there been agreed upon rules and regulations in place in their family businesses, their predecessors would have not been able to dictate their ideas frequently in a way that could affect the whole of the family business.

In contrast to family businesses that lacked formalization, 12 (46%) of participants (six [66%] predecessors and six [35%] successors) indicated that formalized rules and guidelines existed and were implemented in their organizations. However, most of these participants did not openly state how formalization shaped their predecessors' post-succession behaviors. Only three of the successors (FB-1.S; FB-7.S; FB-15.S) reported that formalization in their organization limited the scope, frequency, and involvement styles of their predecessors' post-succession involvement behavior. The significance of formalization and how it can limit post-succession predecessor involvement behaviors is exemplified in the following quote from a successor.

"Before I established the rules regarding who is responsible for what and their authority levels, dad [the predecessor] could come in at any time and tell us what to do. Now that we have these rules, he can't do that.

[When asked has he really stopped getting involved after the formalization process, the response was:]

Of course not. He still tries to tell us what to do, but at least he can no longer dictate it, so his ideas end up just being suggestions. "(FB-1.S)

4.1.2.2.3. Legitimate power

When a person does not have the power to choose among different options, having them does not mean much. According to French and Raven's (1959) power sources typology, predecessors could obtain the power to choose among different involvement type actions through coercive, reward, legitimate, expert and referent means. Twenty of the participants, a large majority (78%), believed that a major source

of predecessors' post-succession power was due to their retained company shares and managerial titles. In other words, predecessors try to gain or maintain power within the family business after the succession by structurally arranging themselves in a key position to have a broader reach. This type of power is categorized as legitimate power (French and Raven, 1959) and is among the more persuasive powers needed to achieve desired outcomes (Yukl, 2002). The following quotes show how participants describe predecessors' attempts to position themselves to gain or maintain power legitimately even after the succession:

- "As the owner, technically he [Dad] has the right to do whatever he wants." (FB-6.S)
- "I was only able to prevent him from intervening when I became majority shareholder" (FB-15.S)
- "No matter whether I call myself in charge or not, at the end he [Dad] is still the owner and what he says goes." (FB-2.S)
- "A good leader always leads his company. I am the CEO; I must make sure it is led towards the right direction" (FB-18.P)
- "I did not take on this title [CEO] for no good reason. I took it to be able to observe and intervene when I thought it was necessary." (FB-17.P)

When predecessors own a majority of the shares or control enough to be the single most powerful shareholder, they essentially gain legal/legitimate power to overrule their successors and dictate whatever they want whenever they want. The following two cases illustrate how organizational structure provides the formal power for predecessors to intervene. In the first example, the successor reports that before he bought his way to become the majority shareowner, his predecessor (Dad), even after the succession, was frequently involved with management of the family business in a directive style with a wide scope. The only way he was able to change his predecessor's post-succession involvement action was by altering the organizational structure.

> "When I was appointed general manager and dad told me that now I was in charge, at first I was a bit scared, but I liked the challenge and was excited... In the early days dad continued coming to the office and doing all the things he used to do when he was running the business. At first, I did not mind, I thought I could benefit from his experience and in time, he will be coming less. However, I was wrong, instead of decreasing his involvement he started to override some of my decisions, object or block my suggestions; he even started calling himself the CEO… I tried reasoning with him, I tried resisting him, heck, I even tried reverse

psychology with him, but no luck. He was like a tank, ordering people as he pleased or vetoing ideas that he did not like… I knew if the business was going to survive, I had to take drastic measures.

I convinced my mother to sell her shares by telling her this was to simplify some accounting procedure. This made me the majority shareholder. With that power I fired my dad, I emptied his office and instructed the factory gate not to admit him... His tie with the company he founded and built from scratch was severed once and for all. He tried to resist but this was for his own and company's good." (FB-14.S)

The second example shows that even among predecessors who chose not to be involved with the family business frequently, being the majority shareholder provides the power to be directive in style and wide in scope.

"The firm has stocks traded publicly in the Istanbul stock exchange but the family still controls majority of the shares, and dad still owns most of them.

I was appointed the CEO of the company four years ago by the board, which is headed by my father [the predecessor]. My appointment meant I was replacing my younger brother as the outgoing CEO. Dad was not happy with the direction the company was heading under the control of my younger brother, so one day out of nowhere he fired him. This should have been a warning sign for me. I should have known that the same fate could happen to me. But what is past is in the past, right?

Three months back, one day I come to the office and I find a letter on my desk from the chairman [her dad] informing me that my contract has been terminated. I was shocked, did not know what to do. It took me a while to come to grips with this news.

After a while, I called him to inquire about this, hoping that it might be a joke. I was not even aware that he had problems with my management or strategic directions; he gave no indication. At the meetings, he would only observe or ask one or two questions and suddenly BAMMM [*hitting both hands together*] the book was closed on me.

Technically, he has the power to do what he did but this does not mean he should do what he is doing. I mean he is a father, how could you do this to your children? Guess who is going to be next CEO? My sister. And the saddest thing is that this is all happening in the public eye. The dysfunctionality of our family is now known by everyone." (FB-13.S)

Due to being partly open to the public, this involvement action and its effects were covered in the print media at that time. Data from the print media provided the opportunity to corroborate and verify the claims and confirm that her predecessor did in fact, as a majority shareowner, use his authority first to replace her brother and then her in the same way because he did not approve of the direction the organization was heading.

Predecessors with parallel levels of power and authority tended to display similar types of post-succession involvement behaviors. When predecessors were majority shareholders in the family business, their involvement became more frequent, directive in style, and wide in scope (see Table 6). It appears sources that increase the legitimate power of the predecessors provide them with the opportunity to exercise their post-succession actions more freely, allowing them to be frequently involved with the family business in a directive style and with a wider scope. This observation is similar to what Evan and his colleagues (2010) argued, when previous top managers control a majority or a significant amount of shares, they can place themselves in a new position where they could still actively comment upon and affect the organization's post-succession strategy and performance.

It is noteworthy that predecessors who had no ownership or only minority share ownership in the family business had a higher-level of formal education than a high school degree, and they assumed or retained either no or lesser managerial titles. In contrast, predecessors who were majority shareholders and who had a high school degree or less assumed or retained top managerial titles. Similarly, Cadieux (2007) in her post-succession predecessor roles research found that predecessors with higher education levels took on more consultative roles than those who had limited formal education. Although a causal relationship cannot be empirically proven, the high percentage of respondents reporting similar predecessor characteristics and involvement actions indicates a strong relationship.

Table 6: Share distribution among predecessors categorized according to their post-succession actions.

Predecessors' Actions			Share Distribution	
Style	**Frequency**	**Scope**	Majority Shareholder	Minority Shareholder
Directive	High	Whole of the organization	10/11	1/11
		Limited to certain area(s)	2/2	--
	Low	Whole of the organization	1/2	1/2
		Limited to certain area(s)	--	--
Consultative	High	Whole of the organization	--	1/1
		Limited to certain area(s)	--	1/1
	Low	Whole of the organization	--	--
		Limited to certain area(s)	1/8	7/8

Notes:

1. Values in each cell indicate the number of predecessors acting in a certain way and the level of family business shares they control.
2. The non-involving predecessor transferred all his shares to his successor.

Another pattern that emerged was regarding official titles used by predecessors. Similarly to the share-ownership distribution, post-succession retained or assumed official titles contributed to the predecessors' claim for legitimate power. Predecessors who retained or assumed top managerial titles such as CEO or head of some department believed it was their responsibility to continue their involvement with the business and, when necessary, direct their successors as though the predecessor were still the responsible official. One predecessor described his perceived responsibility as stemming from his post-succession CEO title.

> "As the CEO, like the president of the country[3], it is my duty to make sure all the employees and departments function and coordinate with each other. To be able to do this you have to monitor what is happening inside your business…

[3] Turkish presidents have ceremonial roles with limited power to ensure that state institutions operate in harmony.

If I did not voice my concerns or prevent my son (the successor) from making a huge mistake, I would be in dereliction of my responsibilities." (FB-16.P)

It appears when predecessors assume "top managerial" titles such as CEO, chair, or partner, their involvement becomes more frequent, directive in style, and wide in scope. In contrast, when predecessors were retained lesser managerial titles (e.g. honorary president) or had none, their involvement became consultative in style, limited in scope, and less frequent. This emerging pattern can be observed in Table 7 below.

Table 7: Level of official titles acquired by predecessors after the succession categorized according to their post-succession actions.

Predecessors' Actions			Level of Official Titles	
Style	**Frequency**	**Scope**	High Level Official Titles	Low Level Official Titles
Directive	High	Whole of the organization	8/11	3/11
		Limited to certain area(s)	--	2/2
	Low	Whole of the organization	2/2	--
		Limited to certain area(s)	--	--
Consultative	High	Whole of the organization	--	1/1
		Limited to certain area(s)	--	1/1
	Low	Whole of the organization	--	--
		Limited to certain area(s)	3/8	5/8

Notes:
1. Values in each cell indicate the number of predecessors acting in a certain way and the official titles they have acquired after the succession.
2. The non-involving predecessor acquired no official title after the succession.

Examination of whether other corporate and respondent characteristics were related to predecessors' post-succession involvement actions did not yield any conclusive patterns. Specifically, organizational size, the industry being operated in, the age of the firm and the respondents, the gender, generational position or the family tie were not related with how, why and when predecessors continue to be involved with the family business after the succession. In the next section, all these findings are brought

together to explain how and why personal and contextual factors shape predecessors' post-succession behaviors along the emergent three dimensions.

4.1.3.   Proposition development about post-succession predecessor actions

Findings of this research regarding predecessors' post-succession actions reaffirm what previous researchers (e.g. Cadieux, 2007; Davis and Haveston, 1999; Harvey and Evans, 1995; Sonnenfeld, 1988) and practitioners have argued, even after predecessors and/or successors claim that the succession in the family business has occurred, this does not mean that the previous generation will completely stop their involvement. In fact, if the contextual factors are appropriate, predecessors, for varying reasons, tend to continue to be involved with the family business even after the succession. This discovery is especially important because it shows that succession should not be considered complete even after the managerial and/or ownership transfer because this does not stop predecessors from being involved with the family business.

Both Sonnenfeld (1988) and Cadieux (2007) describe different roles predecessors might adopt after the succession. For example, in Sonnenfeld's (1988) post-succession CEO categorization, predecessors who did not want to step down until the day they died were categorized as "monarchs." If predecessors reluctantly left office but immediately began plotting their return to rescue the company from the inadequacy of the successor (real or imagined), they were categorized as "generals." Predecessors who were categorized as "ambassadors" left gracefully in order to serve as advisors and mentors. Finally, "governor" type predecessors moved on after the succession to other interests and tended only to get involved in the business in extreme cases when their help was needed and requested. On the other hand, Cadieux (2007) reports that predecessors might start playing teacher, protector, introducer and/or mobilizer roles, and then over time move on to a safeguard and/or an intermediary role, eventually settling into a technical or consulting role. Cadieux's (2007) role adjustment model is similar to pre-succession role changes described by Handler (1989); the post-succession evolution of predecessor roles happens due to successors becoming more assertive and gaining more control over the business and its related domain. What makes her empirical work especially valuable is that she recognizes that during this evolution, predecessors do not assume a singular role. Even at the end stage,

depending on their characteristics and perceptions about life and the firm, predecessors can assume a more technical support role or that of a consultant.

Although both of these studies (Sonnenfeld, 1988; Cadieux, 2007) are fine examples for describing what roles and behaviors predecessors might acquire and display after the succession, they do not provide an objective way to describe what about the predecessor's behavior places them in a particular role category. Without a clear description of how to delineate between different post-succession predecessor behaviors it would be difficult and sometimes impossible to discriminate between different role categories. Findings of this research bridge this gap and provide tools to delineate between different post-succession predecessor behaviors.

When predecessors choose to be involved with the family business we could differentiate their involvement action based on three major dimensions, frequency of involvement, style of involvement and scope of involvement. When the participating family businesses' post-succession predecessor behaviors were organized according to these dimensions, two particular types of behavior showed predominance, frequent-directive and infrequent-consultative (see Table 8). In the former, the scope of involvement was wide, and in the latter, it was limited. Predecessors frequently implement a directive style when their involvement takes the form of ordering or dictating to their successors what to do, similar to Sonnenfeld's (1988) "monarch/general" or Cadieux's (2007) "technician" roles. Predecessors that tend to frequently use a directive style usually do not limit their involvement to a certain area or issue of the business; instead, they adopt a wider scope that encompasses the whole of the organization. On the other hand, when predecessors adopt a consultative style, their involvement becomes infrequent and usually limited to specific issues or areas of the business. These predecessors appear as if they are suggesting or giving advice to their successors about alternative ways of doing things, which is similar to Sonnenfeld's (1988) "ambassador/governor" or Cadieux's (2007) "consultant" roles.

Table 8: Post-succession predecessor involvement in family businesses

	Frequent	Infrequent
Directive	9	2
Consultative	1	6

Notes: The numbers indicate the number of family businesses (N=18)

Sample quotes for each involvement action behavior are provided in Table 9 to show that whether the manner is directive or consultative and whether it is done frequently or infrequently, predecessors often continue to be involved with the family business until they are no longer able to do so. The table below (Table 9) also provides insight to the fact that predecessors' behaviors are shaped by several factors. These factors can be categorized as personal and contextual.

Table 9: Sample quotes for types of involvement behavior

Frequent-Directive	*As long as I am alive and capable, I will be behind my desk looking after the business. X [his son] might have taken over my title and responsibilities but people still hold me responsible for the wellbeing of the organization. Thus, it is my duty to continuously monitor and make sure people do their job properly, even if those people are my relatives or my child. FB-16.P*
Infrequent-Directive	*By now they [his sons] have learned how to run the business so I do not always have to jump in and tell them what to do and how to do it. However, if I see them heading down a wrong path that would jeopardize the business, as a father and employer, I will warn and if necessary stop them. FB-1.P*
Frequent-Consultative	*As our accountant, I always appreciate my dad's [predecessor] advice because ours is a very trust based business. We carry a huge accounts receivable on our books and if it is not monitored or managed properly we would have severe cash flow problems and quickly go bankrupt. We have a successful business here so I would not want it to go down under due to accounting technicalities. That is why we are always in communication. FB-15.S*
Infrequent-Consultative	*She [his daughter] is very a knowledgeable and capable partner. She should be able to run the office with the other professionals; thus, there is not much need for me. To be honest, nor do I want to intervene. Times are changing and how we do business is changing, so let the new generation do things their way… If they need my help or if there is an area I think they could benefit by looking into it, I would share my ideas, opinions and experience. FB-19.P*

Personal level factors affect predecessors' willingness both to hand over more control and their involvement level. The major personal factors that shaped predecessors' post-succession actions were trust towards successors, predecessor personality, patriarchal family tradition, and interest in alternative activities. Participants from family businesses where the predecessor tended to behave in a directive style mostly mentioned the trust factor. This finding is consistent with previous research reports (De Massis et al, 2008; Handler, 1990; Kets de Vries, 2003; Sharma et al., 2001), which indicated a strong positive relationship between predecessors' trust towards their successors and their willingness to cede their control over the organization, which was also observed in this research. When predecessors did not trust their successors they were less willing to hand over control to them.

Predecessors who were less willing to decrease their control or oversight of the family business, the ones that preferred directive style and frequent involvement, were mostly characterized as being uncomfortable with uncertainty and disinclined to shy away from confrontation, and disliked dealing with others' mistakes. Considering that personality characteristics can hinder or facilitate the level of control and oversight a predecessor might want to have over the organization (Barach and Gantisky, 1995), findings of this research were parallel with previous study reports. Retirement can represent uncertainty for predecessors, and if they are not capable of handling such uncertainty, this could make them reluctant to make any changes to the things or environment they know (Gordon and Nicholson, 2008). On the other hand, when predecessors are open to new ideas, have a cooperative attitude and enjoy mentoring, they tend to be more willing to cede control and oversight in favor of their successors (Barach and Gantisky, 1995; Cabrera-Suárez, De Saa-Perez and Garcia-Almeida, 2001; Dyer, 1986; Handler, 1990).

The influence of tradition, especially patriarchal family values, on predecessors' decisions regarding the level oversight they will keep on the family business was clearly evident from the data. Predecessors with strong patriarchal family values tended to prefer frequent-directive involvement style and they believed that their behavior was justified because it was part of their parental duty, defined by society and their faith. This finding among participants that valued patriarchal family tradition was expected, considering that in such families the parent (usually the father) is considered the head of the family and many decisions are made autonomously by this family member (Dyer,

2003). Patriarchal tendencies of such predecessors are a way for them to control employees, family and non-family members alike, with the notion that it is for their own good (Kerfoot and Knights, 1993). In contrast, families who are less patriarchal and more egalitarian tend to prefer joint participation in carrying out tasks and decision-making (Davis, 1976). Thus, families with strong traditional and religious values and their members display more patriarchal tendencies, while modern families with less emphasis on traditional values, especially regarding parent-child interactions, display more egalitarian tendencies (Holdert and Antonides, 1997; Ling, Baldridge and Craig, 2012). This would explain why predecessors who had more egalitarian values adopted an infrequent-consultative type post-succession involvement behavior.

The more predecessors' interest or attention is divided by alternative activities, the less they become involved with the family business. That is why the more predecessors dealt with alternative activities, the more infrequent and consultative their involvement style became. The opposite of this relationship was also observed where lack of alternative activities meant predecessors had the time and attention to get involved with the family business more frequently and in a directive style. These findings are in conformance with earlier studies indicating that when predecessors have other pursuits in their lives to satisfy their personal and psychological needs, they will be less willing to hold onto and exercise control over the organization (McGivern, 1978), and plans outside the business like philanthropy, or even a new career might be good alternative activities (Dyer, 1986; Handler, 1990; Lansberg, 1991; Potts et al., 2001; Sharma et al., 2001; Ward, 1987).

Identifying the personal level factors influencing predecessors' decisions about how to behave after the succession is significant because it provides the opportunity to corroborate with previous studies and adds additional support to the research's validity. However, personal level factors are not enough to explain the underlying reasons for predecessors' post-succession actions; the context within which these actions are happening also matters (De Massis et al., 2008). Predecessors might have the intention to be involved or not with the family business, but contextual factors will give them the opportunity or not to exercise their desires and intentions. Previous studies acknowledge the importance of contextual factors by pointing out the common features shared by predecessors who display similar types of behaviors (e.g., Cadieux, 2007; Davis and

Hambrick, 1999; De Massis et al., 2008; Harvey and Evans, 1995), but do not describe how these factors shape and influence predecessors' behavior after the transition.

Findings of this research show that when the context is appropriate, meaning when predecessors are asked to be involved, when there is no agreed upon rule that prevents their involvement, and/or when they have legitimate power based on their share ownership and/or newly acquired official title (e.g. chairman of the board), predecessors will have more opportunity to exercise the intentions shaped by their personal level goals. One way that road blocks could be cleared from the predecessors' path is when successors remove it for the predecessors by requesting their post-succession involvement. Predecessors' knowledge, experience, network connections and wisdom make them a valuable resource for the organization (Cabrera-Suárez et al., 2001). Thus, successors who want to have continued or easier access to their predecessors' valuable set of resources could allow or ask them to continue to be involved with the family business. Another reason why predecessors are allowed or asked to be involved with the family business is to act as a referee between conflicting family members. Predecessors using their seniority (especially in traditional families) or knowledge about the organization can act like referees between conflicting family members (Friedman, 1991). The significance of inviting predecessors to regularly resolve issues for the successor is that the more dependent the successor becomes to the predecessor, the more power the predecessor will have to negotiate their own terms (Caporaso, 1978) when it comes to deciding how to act after the succession.

Formal rules or formalization can also act as a roadblock for post-succession predecessor intentions. Formalization is important for family businesses and its stakeholders because it helps regulate family members' roles in the firm and informs them what they can and cannot do, thus protecting both family unity and organizational wellbeing (Gimeno Sandig, Labadie, Saris and Mayordomo, 2006; Lambrecht and Lievens, 2008). Lack of or inability to exercise formalized rules allows predecessors to operate under fewer internal constraints and leads them to think they are not subject to bureaucratic controls that limit managerial authority in other modes of governance (Carney, 2005).

Legitimate power gained through controlling a significant amount of shares or acquiring high-level official titles is another way predecessors could clear their path. All of the participants for this research came from family businesses that were in the early

stages of their life cycle. At this stage of the life cycle, the same person usually occupies ownership and management roles, and separating the two might be relatively difficult, or even impossible due to psychological, legal, financial and strategic factors (Kets De Vries, 2003; Franks, Mayer, Volpin and Wagner, 2011). Thus, after the succession predecessors might hold onto ownership and management by not transferring their shares or acquiring other high level official titles. Both sources of power provide legitimacy to the predecessor and remove legal obstacles they might face during the post-succession period regarding their involvement decisions. Legitimate power, especially through controlling a significant amount of shares, provides predecessors the opportunity to have a principle-agent relationship with their successors. As the "principle" predecessors get the chance to decide how much oversight they want over their successors, the "agent." In addition, studies show that having legitimate high status titles is positively associated with influence and respect (Magee and Galinsky, 2008), which predecessors can utilize for their own benefit if they wanted to (Willer, Youngreen, Troyer and Lovaglia, 2012).

Hence, when predecessors are not willing to decrease or hand over their control of the family business and they find or are given the opportunity to exercise their intensions or desires, predecessors could easily display "frequent-directive" type of involvement behavior with the whole organization as their scope. However, when predecessors lack or have limited involvement opportunities, they could limit their dictating behavior to certain times, areas and issues, or such behavior could be limited to providing only suggestions. Based on the findings of this research and explanations provided by previous studies as mentioned above, the following proposition (illustrated in Figure 4) describes the nature of the relationship between post-succession predecessor behaviors, personal level factors and contextual level factors.

> **Proposition 1:** *Contextual factors moderate the effects personal factors*
> *have on the type of post-succession behavior predecessors adopt, by*
> *facilitating or hindering predecessors' opportunity to choose their intended*
> *style, frequency and scope of involvement.*

Figure 4: Factors influencing predecessors, post-succession actions

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                    ┌─────────────────────────────────────┐
                    │  Personal Predecessor Factors       │
                    │          -Trust level               │
                    │     - Predecessor personality       │
                    │     - Patriarchal family tradition  │
                    │  - Interest in alternative activities│
                    └─────────────────────────────────────┘
                                      │
 ┌──────────────────────────┐        │
 │   Contextual Factors     │  P1    │
 │ - Requisitioned Involvement│ ───▶  │
 │ - Degree of formalization│        │
 │   - Legitimate power     │        ▼
 └──────────────────────────┘  ┌──────────────────────────────┐
                               │                              │
                               │      Post-Succession         │
                               │    Predecessor Actions       │
                               │                              │
                               └──────────────────────────────┘
```
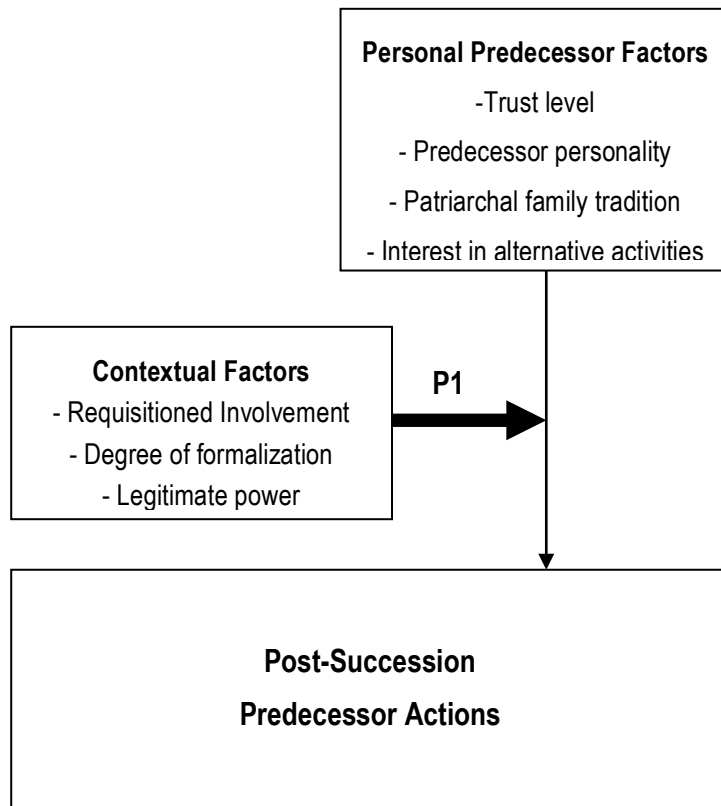
Understanding predecessors' post-succession actions only provides perspective on one side of the interactions that take place after the succession. Predecessors' post-succession actions do not occur in a vacuum. Most of the time predecessors will continue to interact with their successors; thus, to get a more accurate picture of these interactions, it is important to explore how successors react to their predecessors' post-succession actions. In the next section, successors' reactions and influencing factors will be examined.

4.2. Successor Reactions

4.2.1.   Dimensions of Post-Succession Successor Reactions

Like Newton's third law of motion, "every action will have an opposite reaction" (Seaborn, 1997), in family businesses whatever action the predecessor takes after the succession, it generates a reaction first and foremost from the successor. Considering that predecessors' post-succession actions are, for the most part, perceived as complementing or conflicting with their successors' management decisions, it is not surprising to expect and observe successors to be the first to react. Exploring and understanding successors' reactions becomes especially important when we consider the fact that it can affect the sustainability of the firm (Sharma et al., 2001).

When successors reacted to their predecessors' post-succession actions, it emerged that their reaction had two distinct dimensions, emotional and behavioral. The emotional dimension of the reaction was about the successors' feelings towards their predecessors' post-succession actions. The behavioral dimension of the reaction was about whether successors' responses were visible or not to the predecessor and other stakeholders. The following section provides detailed explanations and examples regarding the two dimensions of successor reaction.

4.2.1.1.   Emotional Dimension

All of the participating successors had an emotional reaction to their predecessors' post-succession action. Among the numerous feelings the successors reported, it quickly emerged that they were either positive or negative emotions. Positive emotional reactions were expressed feelings that indicated comfort and enjoyment with the situation and a desire to see it continue for the foreseeable future. Respondents' feelings towards predecessors' actions in this instance were considered positive regardless of the degree of the feeling. Nine of the 17 successors (53%) reported having positive emotional reactions to their predecessors' actions. The example below shows how a successor could appreciate having the predecessor involved with the family business and the way of expressing this appreciation.

> "I miss the days when we [he and his brother] worked with our dad [after his retirement their dad/predecessor still continued to come to work as if nothing had changed; dad/predecessor passed away a couple of years ago]. From time to time, he would want to leave us, worried that his

presence would hinder our management positions but we always told him that it was his presence that gave us strength and confidence. Having him close by helped us in numerous projects and taught us to be good, honest human beings and businessmen, but most importantly he taught us how to be good dads." (FB-10.S)

Negative emotional reactions were expressed feelings indicating discomfort with and dislike of the situation and a desire to see it changed. Similar to the positive emotional reactions, respondents' negative feelings towards predecessors' actions were considered negative regardless of the degree of the feeling. Eight of the 17 successors (47%) reported having negative emotional reactions to their predecessors' actions. The example below shows a successor explaining why she had a negative reaction towards her predecessor when he fired her without any prior warning.

"Being fired by your dad and having to sue him is never a fun situation. It saddens me that his decisions and actions have led us to this point" (FB-13.S)

4.2.1.2. Behavioral Dimension

All of the successors might have had an emotional reaction to their predecessors' post-succession actions, but not all displayed it. Visible reactions were attempts made by the successors to inform the predecessor about their emotional reaction (positive or negative) to the post-succession action. Only eight of the successors (47%) indicated their reactions were visible and half of those (four) reported they did so to inform their predecessor that they did not appreciate his post-succession involvement actions and did not want these to continue. The following example shows how a predecessor was informed that his post-succession action was not welcomed by the successor.

"When we come around the table and discuss strategies about the business there are times when we disagree with each other. At times, our discussions could seem that we are fighting with each other but I believe it is this open nature of our discussions that allows this firm to survive in this business. If we were not able to tell our dad his way of doing business was no longer good enough or that some of his ideas were not suitable for the growth of this business, we would have closed shop or left business a long time ago." (FB-1.S)

The other half (four) of this group of successors, who indicated displaying a visible response, reported that they made an effort to ensure their predecessors were aware

that they appreciated his post-succession involvement actions and wanted these to continue. The following example shows an appreciative successor displaying a visible reaction.

> "I like that my dad follows up on the business, so from time to time when I need his expertise and help he could jump in quickly to help with the situation… We [her and other family members working in the firm] do not hide that we appreciate his contributions to the business and to us." (FB-12.S)

The majority of the successors (nine) indicated that they did not inform their predecessors and other stakeholders of their emotional response (positive or negative) to the predecessor's post-succession involvement behavior. The following example shows a successor deeming a visible reaction futile, and thus opting not to inform the predecessor about his own negative emotions.

> "His way of doing business is very rough and when it comes to dictating to people how he wants things to be done, he does not discriminate. He doesn't care if he is talking to a low-level employee, a professional manager, his son or a hired consultant; everyone is the same for him. We are here to do things his way… As the owner he has the right to behave whichever way he likes and there is not much anybody else can do about it, so we try not to end up in his crosshairs...
>
> Of course, I do not like it. I admit there are days when I go home and feel emotionally drained and psychologically tired and wishing that I could just leave everything behind, but I am a big boy now, so I shake myself and move on, otherwise I do not think I could make it another day here." (FB-3.S1)

To understand why successor reactions vary along emotional and behavioral dimensions, factors influencing successor reactions are presented in the next section. I will first discuss the factors influencing the emotional dimension and explore why some successors display a visible reaction and others do not. This order of examination was adopted because from data analysis, it quickly emerged that emotional reactions preceded behavioral reactions, and there was a positive relationship between the nature of emotional reactions and the nature of behavioral reactions.

4.2.2. Factors Influencing Successors' Reactions

4.2.2.1. Factors Influencing the Emotional Dimension

From successor responses it was clear that post-succession predecessor behaviors led successors to react, but the nature of the reaction was influenced by whether the successors were expecting or demanding this kind of behavior from their predecessor. Seven successors (41%) indicated that their predecessors acted the way they wanted them to, and all of these successors reported feeling positively about the situation. These successors indicated that they appreciated their predecessors' post-succession actions because it made it easier for them to run the family business either by consulting or transferring some tasks to the predecessor or by not having to deal with problems caused by conflicting management decisions. The following example shows how a successor appreciates his predecessor for listening to him.

> "As a small company it is important we constantly control our expenses…
> I was very happy when dad accepted staying over as our accountant.
> This saved us money by not having to hire a stranger and it is always nice
> to know that there is always someone else to look after the business
> when you are not there." (FB-15.S)

A majority of the successors (ten) indicated that their predecessors did not act the way they wanted, which both made them uncomfortable and made them dislike the situation. These respondents indicated that their predecessors' post-succession actions made it difficult for them to run the family business either by undermining their authority or by creating role conflicts and ambiguity. In addition, two of these respondents (FB-6.S; FB-3.S1) felt distrusted because their predecessors did not listen to them and these successors disliked this situation.

When recording responses about the successors' reactions, it was observed that some participants used stronger emotional expressions more often than the others. Stronger emotional feelings were detected, especially among respondents who were reporting overall negative emotional reactions. Despite the fact that the design of this research is not suitable to definitively conclude whether variances in overall emotional expressions are due to individual differences in manifesting feelings or caused by other factors, it was still able to detect the emergence of two influential points for determining the strength of successors' overall emotional reaction.

A large majority of the successors (70%) indicated that their emotional reactions were affected by their predecessors' courteousness and perceived intentions. When the predecessors were not acting the way their successors wanted them to, courteousness and predecessor intentions started to matter more for successors. It emerged that successors with stronger emotions towards their predecessors' post-succession actions were more likely to also display a visible reaction.

4.2.2.1.1. Predecessor's courteousness

In this research, "courteousness" refers to how successors feel their predecessors have treated them. When successors believed their predecessors' post-succession interaction with them was fair, polite and honest, successors felt they were being treated courteously, which was related to intensified positive emotional successor reactions. In contrast, when successors believed their predecessor's post-succession interaction with them was abusive, hostile, oppressive, manipulative, vindictive, sabotaging, or intimidating, they felt lack of courteousness from their predecessors and this was related to intensified negative emotional successor reactions.

Seven of the successors (41%) commented about their predecessors' courteousness levels and only two (FB-7.S; FB-12.S) indicated that their predecessors delivered the action in a courteous way. These successors also reported that they displayed positive emotional reactions because their predecessors acted in a desired way. Compared to the other respondents who had indicated having a positive overall reaction to their predecessors' post-succession actions, these two successors expressed their positive feelings strongly and more often than the others in their interviews. For example, these successors mentioned positive emotions 120% and 80%, respectively, more times than the successor (FB-10.S) who had the next highest overall positive emotions coded (5 times) but did not report any information regarding the predecessor courteousness.

On the other hand, five of the seven successors indicated that their predecessors' post-succession actions lacked courteousness. In addition, all of these successors had negative emotional reactions to their predecessors' post-succession action because it was not in accordance with what they desired. On average these respondents mentioned their negative feelings 60% more than the average (three times) of the successors who reported overall negative reactions but did not provide any information regarding predecessor courteousness in their interviews. The following quote

shows how a successor's negative emotion is intensified by his predecessor's lack of courteousness. The successor in the following case is clearly not happy with his predecessor's way of involvement, but his negative feelings were exacerbated by the harsh treatment he was subjected to.

> "It is not his [Dad's] constant involvement that is bothersome but the way he does it. I mean the way he treats you does not leave you much opportunity to even think about whether you should appreciate or not appreciate his constant involvement. The constant yelling, questing of decisions and overturning orders, especially in front of others, is not easy to swallow. … I love the person but hate the behavior. If you are working in your family business, you have nowhere to run because even if you leave the home you are subjected to this kind of behavior at work. Tell me how could I say I like working here. Had I not been stuck here I would have left a long time ago." (FB-3.S1)

4.2.2.1.2. *Perceived intention behind the predecessor's action*

"Predecessors' intention" refers to the motive behind the post-succession actions and whether they arise from selfish reasons or out of genuine concern for the wellbeing of the organization, the family, and the successor. Understanding how successors perceive their predecessors' intentions is important because when successors perceive that their predecessors' primary objective is to protect and expand their own sphere of control by placing their own self-interest ahead of the organization's legitimate interest, successors tend to have increased negative reactions to the post-succession predecessor actions (Hornstein, 1996; Kellerman, 2004). On the other hand, when successors believe predecessors' actions are motivated by a genuine desire to help them and the organization, their negative reactions become less intense.

Most of the successors (11) indicated that their predecessors either had selfish intentions or were trying to look after the organization and the family. Of the 11 successors, five (46%) indicated that they believed their predecessors' actions were motivated by the desire to help them succeed, while six (54%) indicated that the motivation behind their predecessors' actions was to protect their control over the family business. The following comment shows how minor discomfort snowballed into major dislike because the successor perceived their predecessor's actions to be motivated by selfish reasons.

"Him not helping me against my uncle could be understandable at first. Learning the ropes by myself has its merits, but there is a time and a place for everything. If we are a family and this is a family business then everyone should fulfill their responsibilities. If you stay away from these responsibilities because you do not want to appear you are picking sides or want to have a clear mind, well that is a luxury we do not have. For a family business to succeed, personal peace of mind is a luxury no one in the family could afford when it comes to the matters of the organization." (FB-11.S)

It is important to note that none of the successors actually asked their predecessors what the true motivations were behind their actions; thus, the predecessor intentions reported by successors are based solely on their perceptions. However, in four of these cases (FB-1; FB-2; FB-3; FB-4), the predecessors of these family businesses were also interviewed and this provided the opportunity to compare successor perceptions and firsthand accounts of predecessor intentions. Two of the successors (FB-1.S; FB-4.S1) reported that they believed their predecessors had supportive intentions, and their predecessors confirmed this perception. On the other hand, the other two successors (FB-2.S; FB-3.S1) believed that their predecessors' intentions were ultimately selfish, but their predecessors indicated the motivation behind their post-succession actions was to make sure the organization was not harmed by the succession. The following quote from one of the predecessors shows how they explain the intention behind their involvement.

"Many people depend on this business. I have to make sure that they could continue to depend on this business and if this means I have to be harsh in my conduct in this harsh business environment then I will do whatever it takes." (FB-3.P)

This difference in interpretation once again points out the importance of understanding both points of view when trying to determine the outcome of predecessors-successor interactions. One party might have all the best intentions, but if these intentions are misunderstood, this could create more problems than it solves.

4.2.2.2. Factors Influencing the Behavioral Dimension

The reasons why some successors made their emotional reactions visible to their predecessors while others did not was related two factors: expectation of change and family upbringing. When successors perceived that showing their emotional reaction was not going to change anything, they tended to avoid making their reaction visible in order

to protect family unity and find alternative, behind the scene, ways to get things done their way. Similarly, when successors came from more traditional family upbringings they either preferred to accept their faith and did not object to whatever the predecessor wanted or searched for alternative ways to get things done. The following section will explain in detail how successors' decisions whether to make their emotional reactions visible or not is influenced by several factors.

4.2.2.2.1. Expectation of change

Expectancy theory suggests that when individuals do not believe their performance will lead to meaningful results, they will not be motivated to behave in a certain way (Vroom, 1964). In conformance with expectancy theory, majority of the participating successors (70%) indicated that their decision to make their reaction visible was influenced by their perception of whether it would lead to a meaningful and desired change in their predecessors' post-succession involvement. Four of these successors (FB-4.S1 and S2; FB-13.S; FB-14.S) reported that they made their negative reaction visible in regard to an undesired post-succession predecessor involvement because they believed it could prevent their predecessor from acting the same way in the future. For example, one successor, who was fed-up with his father's (the predecessor's) "frequent-directive" type involvement behavior, took steps to prevent the continuation of his actions. He explained that as part owner and manager of the organization it was his responsibility to look after the wellbeing of the organization.

> "This two headed management we had going on was definitely hurting the business. People did not know who to listen to, and when they heard something they did not like, they would try to play us against each other to protect their own interests. I had to do something to stop this. I [the successor] tried reasoning with him [the father/predecessor] but it did not work. I was left with no option to force him out. It was a bold move on my part but as a manager and part shareowner of this company it was my responsibility to take care of it for the sake of the family and also for the sake of my father." (FB-14.S)

In another example, a successor believed that by standing up against her father she could send a clear message to him that the type of involvement he was displaying was not appreciated, was damaging to the organization and needed to change.

"We are a recognized brand in Turkey. We did not become this big by running our business like a small town shop. We have investors and other stockholders. Our shares are traded at the stock exchange. Him [the father/predecessor] coming in like that and removing me from my position and the board is not what should have happened in a big and professional organization like this... It is my responsibility to protect the other stakeholders and show them that there are proper procedures in place to hire and dismiss a CEO in this organization. … The legal struggle I am giving against my dad is not about wanting my old job back but to show him that people deserve and want a professionally run company, where formal rules and guidelines are followed." (FB-13.S)

On the other hand, there were four successors (FB-2.S; FB-3.S1and S2; FB-6.S) who believed that their behavioral reactions would carry no meaning, and thus had no motivation to stop or inform their predecessors that their actions were undesired. In the following example, a successor doubts that his efforts have any significant influence on his predecessor's undesired post-succession involvement actions and demonstrate his hesitancy to confront him without any legitimate backing.

"I might be the general manager of the company but he [the father/predecessor] is still the owner. He has the authority to overrule all my decisions. When this is the fact, why should I try to challenge him? I mean my brother [the former successor] did, and despite all their arguments, it was he who had to leave and go far away. It makes no sense to increase my stress level by adding the aggravation of having to confront my dad. If he wants certain things to be done his way, let him have his way. You know the saying the one who waits will eventually get his wishes? I am now waiting." (FB-3.S1)

When the successors were happy with the current situation, they also lacked the motivation to initiate a behavioral reaction because they determined there was no need for one. Four of the successors (FB-5.S; FB-9.S; FB-10.S; FB-15.S) among those who indicated motivation to be an influential factor reported that their predecessors' post-succession actions were what they desired from them, and that there was no need to spend time or effort to display appreciation for this. In these family businesses, it appeared that both predecessors and successors who knew what their roles and responsibilities were did not expect any additional appreciation for undertaking or completing a task successfully, because they believed it to be a natural part of their duty. The evidence for this way of thinking is provided in the following example from a

successor who appreciated his father's involvement but did not display a positive visible reaction.

> "I do not think I go about telling my dad [the predecessor] that I appreciate him helping me out with these functions. But then again I do not have to because he should already know, otherwise why would I allow him to help me out." (FB-5.S)

4.2.2.2.2. Family upbringing

When successors talked about their family upbringing, they were referring to whether they were raised with hierarchical or egalitarian family values. Family upbringing mattered for five of the successors (30%) when explaining why they chose to make their reaction visible or not. When the successors reported being raised with values that required unconditional respect for elders and the understanding that dissent towards them was not allowed, these successors were considered to be coming from a hierarchical family upbringing. On the other hand, when successors reported being raised with values that encouraged them to make their own decisions and question their elders' views, these successors were considered to be coming from an egalitarian family upbringing.

From the five successors who indicated family upbringing being a factor, three (FB-2.S; FB-6.S; FB-11.S) reported that being raised in a hierarchical family made it uncomfortable for them to display their emotional reactions visibly. Thus, these successors refrained from making their feelings visible even when they did not like the situation. The following example shows a successor caught between negative feelings towards the post-succession predecessor action and his upbringing, requiring him to respect and follow his senior family members.

> "We [the successor and his sister who has no involvement with the family business] were raised to listen to dad, do whatever he says as a child. … We are a very patriarchal family and if the elders decide on something, even if you do not agree with them you have to bite your tongue and hope to wait for them to see that their way of doing business is wrong." (FB-2.S)

On the other hand, the other two successors (FB-7.S; FB-12.S) reported that due to their egalitarian upbringing, they were comfortable visibly expressing their views and feelings to their predecessors and other stakeholders. For these successors, who also had a positive reaction to their predecessors' post-succession behavior and made this visible,

this factor was the only reason why they informed their predecessor about their appreciation.

> "Dad always allowed us to make mistakes and always wanted us to be able to defend our choices to make sure we were not opting for the easy way out. When we disagreed with each other, I could easily talk to him and explain my point of view and listen to his opinions, allowing us to come up with the best available solution. For this I always let him know that I appreciate his presence and contribution to our lives and the business." (FB-12.S)

4.2.3.   *Proposition development about successor reactions*

How successors react during the entire succession process determines the outcomes of the process. Although successor reactions appear to have two dimensions (see Table 10), the emotional dimension is the primary factor that shapes the outcomes of the post-succession predecessor-successor interaction. Walsh (1993, 1994) and Dunn (1999), in their extensive studies on emotional dynamics in families and family businesses, have concluded that when successors responded positively to their predecessors, this led to acceptable levels of functioning and satisfactory task management among parties involved with the process. At the same time, the authors concluded that when successors responded negatively to their predecessors, this led to increased emotional conflict, a decrease in the ability to handle task conflicts and establishment of an environment where both predecessors and successors cannot properly function together for their own and the organization's benefit. Similarly, Sharma et al. (2003) and Venter et al. (2005) found a positive relationship between successors' emotional (positive vs. negative) approach to the process and the relational and organizational outcomes. The behavioral dimension contributes to the overall outcome by allowing the predecessors to adapt their involvement behaviors over time depending on the successors' reactions. If this particular information is not given to the predecessors, and it is ignored or misunderstood by them, this could lead predecessors to repeat the post-succession behaviors that generated the negative reactions over and over again. Lack of behavioral adjustment on the predecessor's side, especially when this is desired by the successor, affects the overall nature of the successor's reaction. This section will explain how successors' reactions are shaped during this phase of the succession process and discuss the relationships between different factors and the reactionary dimensions.

Table 10: Successor reactions

Behavioral / Emotional	Visible	Not Visible
Positive	4	5
Negative	4	4
Notes:		
- The values in each cell indicate the number of successor (n=17) and their reaction		

4.2.3.1.   Direct response to post-succession predecessor actions

When successors' reactions were compared to predecessors' post-succession actions, there were certain overlaps between actions and reactions (see Table 11). Negative successor reactions overlapped mostly with directive style of involvement behaviors, and positive successor reactions overlapped mostly with consultative style involvement behaviors. Previous studies (Griffeth, Allen and Barrett, 2006; Harvey and Evans, 1995; Sharma et al., 2001) have tried to define this overlap as a relationship and explain how an increase in the incidents and intrusiveness of the involvement behavior decreases successor appreciation for the predecessor, satisfaction with the process and the effectiveness of the outcomes. Predecessors' involvement can be like a signal that questions successors' managerial skills and conveys to the successors that managerial control for the organization is to be shared (Harvey and Evans, 1995). From a psychological perspective, people do not like their loyalties, abilities and intelligence to be questioned, nor do they like to share control over something when they were not expecting to do so (Kets de Vries, 1993). The following example shows a successor explaining why his unobstructed control of the family business was important and how he reacted negatively when his predecessor challenged this control.

"I have a strong drive to succeed and to be the top of everything I do. …I have the strongest drive. My drive is as strong as my dad's, if not better. …. I could see the future potential of this business. I could strategize to make it even bigger than it already is, make sure that not only income for our family is generated but also finance for other ventures is generated.

When I took over, from time to time he tried to tell me what to do. This was not acceptable in my book. A firm should have one captain and one captain only. My strong drive gave me the ability to face him and say 'Dad, we like you and thank you, but stay out of this.' It might sound harsh

but in the grand scheme of things, I do not have the luxury to be silent
when I think something is not right." (FB-1.S)

Recent studies examining the impact of post-succession predecessor involvements both
in family businesses (e.g. Davis and Hambrick, 1999; Mitchell et al., 2009) and in non-
family businesses (Evans et al., 2010; Quigley and Hambrick, 2012) also confirm that
increased predecessor involvement (in all three dimensions) challenges successors'
control over the organization by hindering their ability to develop and implement
appropriate strategies. Thus, the more predecessors intervene and impose their ideas or
decisions on to the successor, the more successors will perceive this as a challenge to
their trustworthiness and control over the business, leading successors to be dissatisfied
with the situation and react negatively (Harvey and Evans, 1995). Hence, when
predecessors' post-succession involvements are directive in style, high in frequency and
wide in scope, this presents a direct challenge to successors' trustworthiness and control
over the organization. On the other hand, when predecessors adopt a more suggestive
style, have less frequent or no involvement and limit their scope, this signals to the
successors that they are trusted and that their control over the organization will not be
challenged.

**Table 11: Successor reactions to post-succession predecessor involvement
behaviors**

Successor Reaction / Post-succession Predecessor Behaviors	Positive	Negative
Frequent-Directive	2	6
Infrequent-Directive	--	1
Frequent-Consultative	1	--
Infrequent-Consultative	6	--
No involvement	--	1
Notes: - The values in each cell indicate the number of successor (n=17) and their reaction		

Predecessors' responses provide additional support for the above-mentioned
relationship between actions and reactions. None of the predecessors believed that their

successors had negative emotional reaction to their post-succession involvement actions, and they explained this by pointing out that they were not challenging the successors but cooperating with them. The following quote summarizes predecessors' views regarding their cooperation with the successors and how it should be appreciated by successor rather than complained about.

> "I [the predecessor] do not know whether he [the successor] likes me here or not but from my point of view it doesn't matter. What matters is can we work together for the wellbeing of the family and the organization, and I think we are doing a pretty good job. He is responsible for his duties and I am responsible for mine. When he needs my help I am just one door away. I have the experience, he has the youthful energy and when there are big problems we tackle them together. … I think he should be happy and praise God that he is blessed with this kind of opportunity, and I am sure he already knows this." (FB-2.P)

Based on the emerging data and explanations derived from previous studies, the following proposition is made regarding the relationship between predecessors' post-succession behaviors and successors' reaction, independent from the influences of other factors.

> ***Proposition 2:*** *Post-succession predecessor frequent-directive and infrequent-directive behaviors should be more likely related to negative successor reactions, while frequent-consultative, infrequent-consultative and no involvement should be more likely related to positive successor reactions*

4.2.3.2.   Anticipated versus actual post-succession involvement behaviors

A significant discovery of this research was that it detected that the relationship between predecessors' post-succession actions and successors' reactions were influenced by successor anticipation. From the successors' responses it emerged that successor anticipation regarding how predecessors should behave post-succession and whether this expectation was met or not, influenced the nature (positive or negative) of their reactions. Post-succession predecessor actions can be seen as the spark that starts the fire, but what determines the nature (i.e. positive or negative) of the fire depends on whether it was anticipated or not.

At first it might appear that knowing about predecessors' post-succession involvement behavior is enough to determine a successor's reactions; however, this knowledge does not explain the successors (FB-10.S and FB-12.S) who responded positively because their predecessors frequently directed them, or the successor (FB-11.S) who responded negatively because his predecessor was not involved at all. From the motivation literature we know that when individuals perceive a discrepancy between their desired state/need/want and what they actually receive from the other party, this creates anxiety and affects their mood, feelings and behaviors (Skarlicki and Folger, 1997). A number of studies showing that unanticipated behaviors (i.e. the discrepancy between what is encountered and what was expected) can lead to various negative outcomes, such as emotional exhaustion (Proost, Ruysseveldt and Dijke, 2012), lower organizational commitment (Wanous et al., 1992), and increased turnover intentions (Houkes, Janssen, de Jonge and Bakker, 2003; Major, Kozlowski, Chao and Gardner, 1995; Pearson, 1995; Turnley and Feldman, 2000).

The participating successors reported that when predecessors behaved in the manner that was anticipated, they were mentally and emotionally prepared to deal with their predecessors' post-succession actions. This explains why unlike the other successors who had a negative reaction to their predecessors' frequent-directive style involvement, the two participants (FB-10.S and FB-12.S) showed a positive reaction. These two successors anticipated and desired their predecessor to be involved frequently and in a directive way with the whole of the business, and when these successors got what they wished for, they reacted positively. For example, one of these successors reported that she appreciated her father staying on as the chairman of the company because he helped her manage his brother, sister-in-law and other more distant family members (i.e. cousins).

> "Since his [the father/predecessor] retirement, dad always wanted to leave everything behind and enjoy his retirement years with my mom and his grandchildren. However, I need him to be around to take care of things.
>
> *[When asked: you mean like a figurehead?]*
>
> No, more involved than that. When he is here, he is 110% committed to the work and makes sure everything is running smoothly. That's why I am

grateful for his efforts and make sure he regularly comes to work to." (FB-12.S)

The influential power of successor anticipation becomes evident in the only case (FB-11) where the predecessor was not involved with the family business after the succession. The successor reported that he had anticipated his father (the predecessor) would continue to help him establish control over his uncle (co-owner of the business) after the succession. However, when his father chose not to be involved and refused all calls for help from the successor, this was an unanticipated move for the successor, which led him to resent his father, uncle and the business.

> "When I took over I was told [by his father/predecessor and his uncle/second partner] that this was my business and I could do whatever I wanted. After I took over dad left everything to us. He did not even come to the shop to look at the financial reports. Nothing, as if he had not spent his years building this company. He just told me now I was in charge.
>
> Although I had good ideas to grow the business, I constantly butted heads with my uncle. He would approve one thing first and then renege on it the next day. As this started happening more often, so did the number of our arguments. And each time the volume increased a notch.
>
> I constantly asked dad to come and intervene, to act as a referee between us. He never came. He told me it was now my business and I had to figure it out. I did not like this answer one bit. I was left to fend for myself against my uncle. … I asked him for help repeatedly and he repeatedly refused.
>
> Being in charge is one thing, knowing your dad has your back is another. He was not there when I needed him, plain and simple. You know that feeling, having your back empty when you need support? Well, it is an awful one. I mean, who likes being left alone to deal with a delicate situation like this. I would have definitely appreciated the feeling of knowing that my dad was behind me." (FB-11.S)

Based on emerging data and support from previous studies, the following proposition is made regarding the influence successor anticipation has on the relationship between predecessors' post-succession behaviors and successors' reactions.

Proposition 3: *The relationship between post-succession predecessor actions and successor reactions is moderated by successor anticipation in a way that: (a) it influences successor reactions to be positive when predecessors act in the anticipated way, and (b) it influences successor reactions to be negative when predecessors act in an unanticipated way.*

4.2.3.3.   The intensifiers

Successors' reactions were further nuanced based on the intensity of their emotional (positive and negative) and visible behavioral reaction. Some successors had stronger positive or negative reactions towards their predecessors' post-succession actions and were more adamant about displaying their emotional reaction visibly. The intensifying factors did not necessarily determine the successor's reaction, but influenced it by affecting their intensity level. The intensity of the successors' reactions becomes relevant when discussing the perceived outcomes that post-succession predecessor-successor interactions have both at the individual and organizational level. The following section explains how intensifying factors influenced successors' reactions.

4.2.3.3.1. Emotional intensifiers

People like to be treated with politeness, dignity, and respect by others but especially by those who they care for and respect (Van der Heyden, Blondel and Carlock, 2005). How people are treated matters because it can affect their stress, satisfaction and commitment levels, as well as the significance of the work-family conflicts they face (Judge and Colquitt, 2004). In family businesses, when family members, especially the successors, are not engaged properly and are not given honest explanations as to why certain decisions are being made, this damages the sense of fairness within both the organization and the family, and it can ultimately hurt the organization's survivability (Van der Heyden et. al., 2005). Thus, if successors perceive that their predecessors are treating them courteously and do not have selfish ulterior motives, their stress levels will decrease and they will have less or no work-family conflict (Judge and Colquitt, 2004). The following example from a successor highlights how his appreciation for his father's involvement style increased based on the courtesy he received from him.

> "I would like to emulate my dad when I retire from the business. He was here when we needed him and knew when to keep his distance. When he

was giving advice he was not judgmental but encouraging. He never blamed us for the mistakes we have made. He always told us that these were learning opportunities. … When people tried to circumvent us, thinking that they could get a better deal from him, he always politely sent them back to us. Unlike other examples we hear of in other family businesses, dad never competed with or tried to take things away from us. Instead, he always helped and cooperated with us." (FB-9.S)

Minimizing or eliminating work-family conflict is especially important for family business considering the intertwined nature of both work and family systems. Less or no conflict between these two systems would lead to better interpersonal relationships and organizational satisfaction within the business and the family (Griffeth et al., 2006). Although post-succession predecessor actions were not their focus, case studies conducted by Rosenblatt et al. (1985) and Gordon and Nicholson (2008) also provide additional examples where predecessors' differing post-succession actions, delivered in a supportive and constructive manner, were met with a positive successor reaction. Similar to previous study findings, successors in this research expected courteous and honest treatment from their predecessors, especially when their predecessors were their parents. If they did not receive the expected treatment, this disturbed the successors even more compared to when dealing with a stranger. Increased levels of emotional disturbance and stress could intensify negative emotions while a decrease in or the elimination of emotional disturbance and stress could intensify positive emotions. Hence, the following proposition states:

> **Proposition 4:** *When successors perceive their predecessors' post-succession behaviors to be courteous and honest, this will intensify their positive reactions; when they perceive them to lack courteousness and to be dishonest, this will intensify their negative reactions.*

4.2.3.3.2. Behavioral intensifiers

When people do not see the connection between their efforts and a desired performance outcome or change, they will have relatively little or no motivation to initiate such effort (Vroom, 1964). This may cause a person to feel drained or used-up (Schwab, Jackson and Schuler, 1986), which in turn has been found to lead to behavioral withdrawal (Wright and Cropanzano, 1998). Thus, when successors believe that their reactions are not going to accomplish any change in regard to their predecessors' post-

succession behavior, they will have little or no motivation to share their emotional reactions with their predecessors or make such reactions visible.

In family businesses, the interpersonal connection that is present between most predecessors and successors adds another dimension to the equation, family upbringing (Griffeth et. al., 2006). The early childhood relationship successors had with their predecessors can affect their ongoing interaction and will continue to do so into the future (Kets de Vries et. al., 2007; Poza, 2007). Children raised in hierarchical family settings tend to display passive or aggressive hostility towards their parents in the future when they experience undesirable situations (Hertherington, 1993). In addition, controlling parents who do not allow their children to make and learn from their own mistakes negatively affect their children's self-esteem and push them to display extreme responses (Harmon and Schrodt, 2012). These children become either relatively passive or aggressive towards their parents (Harmon and Schrodt, 2012). Successors participating in this research that had a hierarchical family upbringing tended to be more passive and not aggressive towards their predecessors. Only the successors who reported being raised with egalitarian family values where questioning decisions and experiencing the consequences of their own decisions allowed themselves or were able to show any visible reaction, positive or negative. The following example shows how a predecessor's parenting pushed his successor into passive behavior, where the successor did not make his emotional reaction visible.

> "We are a traditional family, where father is always correct and he [the predecessor] is a traditional dad, the only right way is his way. We were raised like this so whenever I have to deal with my dad and the situations he dumps on me, I take my time and work behind the scene. … Even if I confronted him, he wouldn't understand and I wouldn't feel comfortable doing it in the first place." (FB-6.S)

In family businesses, it appears that when successors do not expect their efforts to lead to change, they become more reluctant to visibly display a reaction that could jeopardize family harmony and make their work environment an uncomfortable place. The reason why many of the successors did not expect that their efforts would have any influence over their predecessors was because of by their family upbringing. Successors brought up to believe that if they put an effort into something, they could eventually achieve it tended to be more visible in their reactions, while successors who were raised

only to accept what their parents or elders said and were not given much opportunity to experiment were reluctant to make their emotional reactions visible. Hence, the following proposition was developed:

> **Proposition 5:** *Successors who were raised with egalitarian family values and who believed that their reaction would lead to a meaningful change in their predecessors' post-succession behavior were more likely to display a visible reaction than those who were raised with hierarchical family values and did not see or believe in the effort-to-performance link.*

Figure 5 graphically illustrates the propositions regarding successors' reactions towards their predecessors' post-succession actions. This figure shows that whatever action predecessors decide on, successors will generate a reaction to it. The lower predecessor involvement (in all three dimensions) becomes, the more positively successors will react and vice versa. However, successors' reactions will be moderated by their expectations of the predecessors' actions. When predecessors would act in the desired way, this would lead to a positive reaction no matter the involvement level (in all three dimensions) and the opposite is true when they act in an undesired way. Successors' reactions are also influenced by their belief as to whether they have been treated courteously and honestly by their predecessors. When successors were raised to believe and had accepted that their efforts would lead to meaningful changes, they were more likely to visibly display their emotional reactions.

Visibly displaying the reaction is important because it provides the predecessors the opportunity to be informed about the consequences of their behavior and to make necessary adjustments to it. If predecessors can adjust their actions according to successors' anticipations, negative reactions can, over time, be turned into positive reactions; however, if predecessors insist on continuing on in the unanticipated path, this could lead to intensified negative reactions (see Proposition 4). In the following example, a successor describes how his father's insistence on continuing to act in the same way is intensifying his own negative reactions.

"My dad thinks he should be a part of all the negotiations. I could be very close to closing a deal and he would jump in and muddy the water. Several of our deals fell through because of this unprofessional behavior of his, but he refuses to learn from his mistakes and continues to do these kinds of things. This is not how things should be but he doesn't appear to want to change and I sure can't change him, so we are reduced to a cat and mouse game. I schedule deals or meetings at times and locations where he is not around and he springs decisions or deals he made behind my back on me. My only hope is that in time, with age, he would be less involved with the organization and we could start operating as a professional business." (FB-6.S)

Figure 5: Post-succession successor reactions
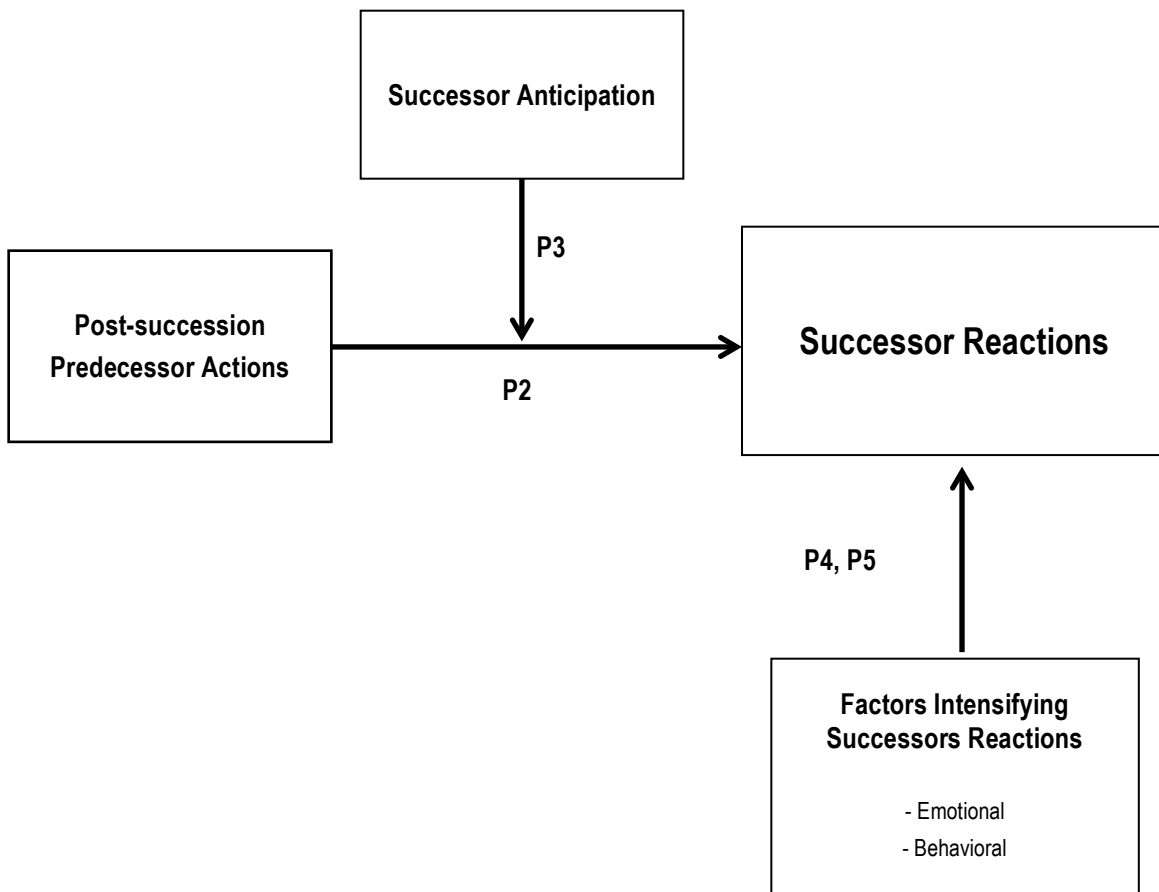
4.3. Relational and Organizational Outcomes

Incumbents play important roles during the succession process, but it is the successors' preparedness and perceptions that shape the outcomes of the process (Brun de Pontet et al., 2007; Sharma et al., 2003; Venter et al., 2005). Both predecessors and successors are concerned with the quality of their interpersonal relationship and the wellbeing of the organization. However, the weight each participant group gave to these outcomes differed. Predecessors tended to be more concerned with organizational outcomes while the successors genuinely cared about their interpersonal ties as well as the wellbeing of the organization. Before explaining how predecessor-successor interactions are related to interpersonal relationships and the wellbeing of the organization, the significance of these outcomes will be explained first.

4.3.1. *Interpersonal Relationships*

Majority of the participants (73%) believed that there was a direct connection between successors' reactions and the quality of the predecessor-successor interpersonal relationship. The rest of the participants reported that they did not observe or feel any meaningful change brought upon their interpersonal relationship because of their interaction with their dyadic partner. Participants who thought that their interactions led to acceptable levels of functioning with each other, strengthening family harmony and satisfactory task management without getting entangled with emotions, considered their relationship to be "functional." At the same time, the participants who concluded that their interactions led to little or no differentiation between task and emotional conflict with no satisfactory solution, and created an environment where they could not function together, considered their relationship to be "dysfunctional" (see Table 12).

Table 12: Successor reactions and interpersonal relationships

Successor Reactions		Interpersonal Relationships	
Emotional	**Behavioral**	Functional	Dysfunctional
Positive	Visible	6	--
	Not Visible	1	--
Negative	Visible	--	4
	Not Visible	--	4

Note: Value in each cell indicate the number of participants (predecessor and successor) reporting a change in their interpersonal relationship out of those who reported on their dyadic interaction

4.3.1.1.   Functional relationships

Functional relationships emerged to be defined as relationships where both predecessors and successors were regularly in agreement with each other's roles, actions, or reactions and were able to work together to generate different ideas, pathways and, eventually, creative solutions to solve their differences and enhance the achievement of individual and organizational goals. Functional relationships ensure both predecessors and successors work together to find a satisfactory solution before stress and conflicts spiral out of control (Reddy, 1994). Only two predecessors (22%) commented on their interpersonal relationship and nine of the successors (53%) viewed their interaction with their dyadic partner as functional. Six of the nine successors (FB-7.S; FB-9.S; FB-10.S; FB-12.S FB-15.S) who indicated having a functional relationship with their successor believed that their predecessors regularly acted in a desired way and indicated they knew each other's roles and responsibilities within the family business. These successors argued that this made it possible to work together to solve challenging issues without having to sacrifice their authority or responsibility. For example, in the following quote a successor described the functional nature of her

interactions with her father (the predecessor) by explaining how both cooperated with each other to solve organizational problems.

> "Many people say keeping my dad being involved with the business is not a good idea because disagreements between us could hurt our relationship. To those people I only say: they are wrong. Sure we do not always agree with each other but that is the beauty and strength of being a family business. We could discuss different approaches to find the optimum solution to a problem without having to deal with issues like envy, office politics and hostility towards each other; you know, things that happen in other [non-family businesses] organizations." (FB-12.S)

The other three successors (FB-1.S; FB-4.S1 and S2) reported that from time to time, their predecessors acted in an undesired way but they did not "make a big deal out of it" (FB-1.S) because they anticipated the behavior and had the opportunity to ignore or overlook it. These three successors perceived their predecessors' post-succession involvement as low in frequency, consultative style and limited in scope; thus, the undesired actions of their dyadic partner became less serious and were easily overlooked. By ignoring their predecessor's undesired actions or not taking the undesired behaviors seriously, these successors are left to focus on the times and events where a desired exchange between the dyads happened. When successors regularly think this way, despite reporting several undesired actions, they could continue to feel they have a workable and a beneficial interaction with their predecessors. The following example shows how a successor determines the nature of his interaction with his father (the predecessor):

> "From time to time we have to be very blunt with him [the father/predecessor] to remind him that we are now in charge and not him. We tell him, thanks but no thanks. I mean, you have to be open with these kinds of things. You cannot let these problems fester because that is how solvable problems become unsolvable. However, this doesn't mean we do not appreciate his help. I mean when we [he and his younger brother] are on business trips, he is the one who makes sure the office runs. When bureaucrats or ministers do not answer our phone calls, they always talk to him. … When you look at the big picture, as long as he doesn't cross the line, we like having dad help with certain issues. (FB-4.S1)

4.3.1.2.   Dysfunctional relationships

Relationships were considered dysfunctional when predecessors and successors regularly disagreed with each other's roles, actions, or reactions, and they could not find a reasonable solution to their differences, thereby hindering their chances of achieving personal and organizational goals. None of the participants liked or wanted deterioration in their interpersonal relationship with their dyadic partner; however, eight of the participants (31%, all successors) believed their interaction with their dyadic partner was dysfunctional in nature. These successors admitted that negative events and their negative reactions to them in the business domain spilled over into their personal domain and damaged the relationship they had with their father. A successor describes his dysfunctional relationship with his father (the predecessor) as follows:

> "At one point we totally stopped communicating with each other. Despite our offices being across each other there were days I did not see him [the father/predecessor] because I was avoiding him. Deceit and constant arguing made the workplace unbearable. I have to admit there were times I thought the only relief from this situation would come from his death. Not that I wanted him to die, but things were not working at all with both of us trying to steer the company in a different direction. … Mine was growth and his was if it is not broken, no need to meddle with it." (FB-14.S)

In addition, these successors indicated that stress and inability to solve conflicts without getting into emotional struggles at the workplace overwhelmed them. To protect their own psychological wellbeing and to prevent further corrosion of family harmony, these successors preferred minimizing their interaction with their fathers (predecessors). For example, one successor reported that to avoid his predecessor's involvement with his management decisions, he first started sharing less information with him. When he observed that this was not enough, he started deliberately hiding or misinforming his predecessor.

> "Once you start behaving like this it does not stop there [referring to the family business]. You start sharing less about yourself, the wife and the kids. At one point you find yourself talking very little with your dad and not bothering to call him for father-son talks. … It is not like I do not love him, it is just that once a habit of deception is formed it is not easy to turn it off." (FB-6.S)

Despite only half (four) of these successors indicating that they visibly displayed their negative reactions, all of them complained that their predecessors ignored the negative outcomes of their undesired actions. This perceived indifference on the part of the predecessors intensified successors' negative emotional reactions and influenced their belief that their dyadic partner's role in the organization harmed the predecessor-successor relationship and made it difficult to find reasonable solutions to their differences. In the following example, a successor describes how his predecessor continually went beyond what was desired from him and how this led to the deterioration of their relationship by damaging their interpersonal communication.

> "I am not sure that I could say I like working with my father [the predecessor]. Having him still around has it perks. I mean when there is a disagreement between family members he could solve it and pretty much everyone will be okay with it, even if they did not like the result of the arbitration. The problem I think I have with him is that he does not see his role in the organization as an arbitrator but like a father protecting his child, and when I say child I am not referring to me but the family business itself. Him constantly challenging my decisions is making me want to ask him less questions. You know the foreigners have a saying it is easier to say sorry than to ask for permission, well that is exactly my attitude now. Is this a healthy interaction? Of course not. However, currently this is what we have between us." (FB-8.S)

4.3.1.3. Proposition development about interpersonal relationships

Both predecessors and successors valued their interpersonal relationship and wanted to protect and strengthen it. The importance of this dyadic relationship has been acknowledged by researchers as early 1971, when Levinson commented on the conflict between the founding father and the son (Griffeth et al., 2006). Family members believe that a strong family relationship is the best way to defend their personal and organizational interests from the threats of the outside world (Kets de Vries et al., 2007). In addition, having a positive interpersonal relationship also represents normalcy for families (Kets de Vries et al., 2007). Social convention leads to the expectation that a certain level of respect, care and love should be present between a parent and a child. Considering that in family businesses, most predecessors and successors also have a parent-child relationship, this social convention becomes an important factor. The better the interpersonal relationships are perceived, the more predecessors and successors

can view themselves as being part of a functioning normal family, which is something all human beings inherently want (Baumeister and Leary, 1995).

Predecessors in this research, especially those with strong patriarchal family values and religious devotion, believed that no matter what happens in the family business, their children should continue to respect and love them as a father. One predecessor explained this expectation as follows:

> "We are a traditional family where we all know our duties and responsibilities as a father, son, daughter, husband, wife, uncle, nephew etcetera. Our disagreements or problems here [at the family business] are one thing, our family ties are another. X [successor name withheld] might be my successor here but outside he is my son and I his father. We might have had a boss-employee relationship here but that is separate from our father-son relationship.
>
> As his father I will always love and care for him no matter what decision he makes regarding the organization and I am sure as a Turk son of a Turk father he will continue to fulfill his duties towards his family [referring to the extended family] 'til his last breath. ... God commands children to respect their elders and follow their wishes, even in circumstances when they do not agree with them. I raised my sons to be good Muslims so I am sure he will take his duties seriously and follow God's commands." (FB-1.P)

If predecessors viewed maintaining the quality of the interpersonal relationship to be the responsibility of the successor, this could explain why they might overlook or ignore their successors' negative reactions to their adopted post-succession involvement behavior.

Similar to predecessors, successors also want to have a positive and healthy relationship with their predecessor. Psychologically the successors want to respect and love their parent, while at the same time, expect to be loved and respected by them (Morris et al., 1997). However, the successors also realize that the parent-child bond in family businesses is not immune to external influences and accept that events or interactions in the business domain have the potential to influence their interpersonal relationship both positively and negatively. A successor explains the importance of having a functional relationship with his father:

> "In life you only get one father and you have to make sure you cherish all the time you have with him. If you allow small insignificant stuff to damage this relationship that means you are wasting something very valuable, especially if that small insignificant stuff is business related. The family

business is here to serve the family, so it should not be a cause for deterioration with your family members. Money, titles come and go but you only have one father." (FB-10.S)

It emerged that successors cared more about their interpersonal relational outcomes than the predecessors because they did not feel or have the certainty that they were going to be respected and loved by their predecessor-parent. The following two examples illustrate why successors were concerned that their negative reactions could negatively influence their interpersonal relationship with their father. In the first example, the successor reports how forcefully removing his predecessor (his father) from the family business because it was in the best interest for all the stakeholders also disrupted their parent-child relationship.

> "When I [the successor] fired dad [the predecessor], for three years he did not talk to me. Despite all of my efforts to reconcile with him at that time, I did not exist for him. For a child this is a very sad thing, to not be acknowledged or to be rejected by your dad. … I did what I did for the good of the company and ultimately for him as well. This business means so much to him, I understand, but sometimes you have to protect things from the people who love those the most…

> He only started speaking with me after my son [the first grandchild of the predecessor] was born. However, even today he will not mention or discuss anything business related with me or while I am around. He even refuses to accept his share of profits from the business. It is as if he is still mourning the death of his first son [the business]. I guess I could hope in time our relationship will get better because I love him." (FB-14.S)

In this second example, the successor questions his respect and understanding towards his father because his father was not there when he needed him. What makes this example special is that the successor later tried to improve the interpersonal relationship so that normalcy was achieved within the family.

> "When he [the father/predecessor] did not come to my aid against my uncle to help me steer the company towards the right direction, I was angry and resentful towards him. After I quit, for a while I did not communicate with him. That is why I even moved to another city to start new ventures. I just wanted to be far away from those two. Do not get me wrong; I am not proud of this, but it is what I felt. …

… He is the grandfather of my children and they wanted to see him, so I realized the situation between us was not healthy for the family. On one side, my mother is upset because of our situation; on the other side, the kids are growing up not getting a proper chance to be with their grandparents. I managed to swallow my pride and let the past stay in the past. Today I am happy I did that; I got my father back. Nobody is perfect and when the time comes and you have to choose between your family and business, and this will definitely happen, I am sure of this, as I am sure of my name, you have to choose wisely. I learned what my priority in life was." (FB-11.S)

Participants did not seek enhancement in their interpersonal relationship for the sake of it but ultimately to be able to contribute to the organization, because they know that "family" and "business" spheres of influence were interlocked with each other. It is this concern that led participants to focus on whether their interpersonal relationships were functional or not. When participants perceived that successor reactions to the post-succession predecessor involvements were positive, this signaled that family harmony was not being challenged, communication channels between the predecessor and the successor were open, and that family members behaved role-appropriately, enjoyed each other's company and respected each other. Hence, predecessors and successors concluded that the quality of the interpersonal relationship was enhanced and functional when predecessors acted in a way that generated positive reactions from the successor. On the other hand, when participants perceived that successor reactions to the post-succession predecessor involvements were negative this signaled that the interpersonal relationship between the successor and the predecessors was not on the right track. Studies show that negative successor reactions could lead to increased intergenerational conflicts and deterioration of the relationship even further (Kidwell, Eddleston, Cater and Kellermanns, 2012; Venter et al., 2005). This deteriorated relationship could lead both predecessors and successors to erect barriers hindering effective communication, adopt destructive roles and avoid each other's company, preventing critical resource sharing (Gordon and Nicholson, 2010) all of which indicate to stakeholders that the predecessor-successor interpersonal relationship is not functioning properly at the individual level. Hence, based on emerging data and support from previous studies, the following proposition is made regarding the effect successor reactions, which were shaped by predecessor post-succession actions, might have on predecessor-successor interpersonal relationship.

Proposition 6: *Positive successor reactions are related to functional interpersonal relationships, whereas negative successor reactions are related to dysfunctional interpersonal relationships between predecessors and successors.*

4.3.2. *Organizational Wellbeing*

Organizational wellbeing of the family business was important to the family members because it represented something more than a simple job. Predecessors and successors alike had a vested interest in the survival and growth of the organization. Both predecessors and successors agreed that the best way to ensure the wellbeing of the family business was to be able to identify and implement the appropriate strategic decisions in order to sustain and grow the organization. However, both groups differed in their strategic focus.

For all of the participating predecessors, survival and growth of the family business indicated that something they valued and worked hard for was going to be preserved in the long run or at least during their lifetime. Continuation of the family business both signaled and validated that all of the effort and resources the predecessor/founder invested to start and grow the firm was not in vain. Top managers at family businesses sacrifice a considerable amount of time and resources for the organization, in many cases, at the expense of their families (James, 1999). Failure of the family business after the succession would mean predecessors had wasted their youth and resources, and sacrificed family time, and in return, had nothing to show for it. Thus, for predecessors it was important to make sure their tangible and intangible investments in the family business were preserved by sustaining and growing the organization. The following comment from a predecessor shows how he wanted the company to survive as a validation of all his sacrifices.

> "Instead of spending time with my kids and wife, I was on the road going from one construction site to another. People think being your own boss is a great thing. They think you can relax whenever you want but they do not realize the great amount of sacrifice it takes to provide a decent living for your family. … I missed a lot of important events in my kids' lives in order to provide them the opportunity to have those events. … After all my sacrifices, I would be extremely sad to see it fail or close down because the family could not manage it." (FB-16.P)

Another value that all of the predecessors wanted to preserve via their family business was the mission they envisioned for their organization. The two most dominant missions envisioned by the predecessors for their family businesses were providing employment and income to the family and/or delivering value to secondary stakeholders, such as the employees and the country. The belief among the predecessors was that survival and growth of the family business would mean the continuation of their missions, possibly in a more effective and efficient manner. It is important to note that their missions were not mutually exclusive; several predecessors reported having both at the same time. The following examples show two different predecessors talking about how the survival of the organization was vital for accomplishing the missions the businesses were set up for.

> "If it didn't earn income or provide employment for the family members then why insist on having one. Running a family business takes a lot from a person and his family. Without any meaningful return to you and the family, it would be like working for someone else with the additional stress of being a business owner. If this is the case, we might as well close the business and look for professional paying jobs and problems and stresses stemming from being a business owner would be someone else's problem." (FB-18.P)

> "I am the first Turk to build these [for anonymity purposes, machinery type omitted] machines in mass production. Today we are exporting them to fourteen different countries. By employing people, we are providing them the opportunity to feed and look after their own families. This business is preventing foreign currency from leaving the country; on the contrary, it is helping to bring in more foreign currency. All of this is possible because of the business. If we close shop and start importing cheap Chinese manufactured products, all these positive contributions would be lost and that would be a shame all in itself." (FB-17.P)

The successors were also concerned with the sustainability and growth of the business because it provided employment and income opportunities, a chance to prove their capabilities, the opportunity to create a legacy, or because they lacked better alternatives. For a majority of the successors (76%) earning a satisfactory living through the employment and income opportunities of their family business was an important factor. The following successor explains why it was so important for him to grow the single shop he took over into a multimillion-dollar business, manufacturing their own brand of contact lenses and exporting them.

"I am not telling you this to show off. The progress our business has gone through is what should have happened. If I had not expanded the business, I would have considered my management unsuccessful because if there is no progress, that means I have fallen back. In life, there is no such thing as standing still; everything moves. Even when you think you are standing still, you are moving. If I want a better future for myself and my family I should constantly adapt to this changing environment, and one of the best ways to do it is to grow and strengthen the business." (FB-7.S)

The second most mentioned reason why successors (seven, or 41%) wanted the family business operational was to prove to themselves and others that they knew how to run the business and that they could do it as well as their predecessors, if not better. Since all of the successors were second-generation family members taking over the top management position, they saw the need to show that the family business was in capable hands after the founder stepped down. None of the successors had prior work experience at another organizations different from their own family business. Thus, these successors did not have the chance to prove to themselves and others their capabilities and skills in an environment not shielded by their family ties. The successors believed that if they were capable of sustaining and growing the family business, this would be a validation of their capabilities and show both other stakeholders and themselves that they rightfully deserved their position and were not there just because of their blood ties. Beginning with a reference to his lack of non-family business experience, the successor in the following example alludes to the importance of proving to himself that he has the skills and capabilities to run the business.

"I never worked anywhere else before I joined the company [the family business]. I wish I did because by working in another company I would have seen how professionals work and learned from them. I could have judged my true strengths and weaknesses. When you are working with your family, you are not sure how objective they are with you. I mean how could I really be sure if they are overreacting or overprotecting without a benchmark in my life. ... I strongly believe all family members should get an outside experience [work experience other than the family business] before, to see whether they are suitable for the family business position they are groomed for." (FB-6.S)

Family legacy was also an important matter for some successors (five, or 29%). These successors believed that the longer the family business survived, so too would their family's legacy. This legacy was a way to immortalize all members of the family who sacrificed for the company. One successor explained this desire as having a long-lasting legacy by stating:

> "All this time and effort is placed into the organization so that we could hand down to the next generation something bigger and better than what an individual parent could leave to their children. A lot of sacrifices are being made for the business, but as long as our name is on the building people will know our family and the contribution we have made to the economy, community and country." (FB-1.S)

Finally, four of the successors (23.5%) needed their job at the family business because they felt that they had no other viable alternative. These successors were not happy with their situation but felt that their own and the organization's fortunes were tied together. One could conclude that these successors had a continuance type of commitment towards their family business and believed if the organization suffered, so would they. Thus, the wellbeing of the organization became linked to the family business's survival or growth. A successor explains his desperation and lack of alternative opportunities in the following quote:

> "With him [the predecessor] constantly watching me, breathing down on my neck and ordering me around, I have not had the opportunity to see what it is like to really manage this business and I do not think I will as long as he is around. ... The stress level at work, I believe, is taking its toll on my body. ... Where else can I go or what else could I do. I am stuck here. My brother already left because he could not handle the situation here but even he didn't leave the company altogether. It's not like there are plenty of other opportunities out there. There is also the impact on the family side of things if I leave. ... My only hope is him finally deciding to retire totally from the business or passing away, not that I want him to die but I see no other way. I just hope there will be a family business left by the time I am in full charge so I can experience the true meaning of managing a company by myself." (FB-3.S1)

Whatever the reasons might have been, predecessors and successors both valued the wellbeing of the family business and wanted to see the firm grow and be transferred to the next generations. However, the participants also realized there was a limit to how much they could expand the business and how long they could keep it a

family business. Nevertheless, all of the participants desired to see the family business survive into the foreseeable future, or at least during their lifetime as an embodiment of their hard work, sacrifices, opportunities lost, and successes won.

4.3.2.1.   Post-succession interactions and organizational wellbeing

Both predecessors and successors saw a relationship between their post-succession interactions and the wellbeing of the family business through changes in the interpersonal relationship. The perception among predecessors and successors were that positive successor reactions led to functional relationships, which facilitated the development and implementation of desired strategic changes, while negative reactions hindered it through dysfunctional relationships.

4.3.2.1.1. *Strengthening organizational wellbeing*

All of the predecessors and nine of the successors (53%) believed their functional relationship contributed to the wellbeing of the organization by improving the firm's chances of survival and growth through developing and implementing necessary strategic changes. Predecessors believed that a functional relationship with their successor contributed to the wellbeing of the organization because it allowed them to order or suggest what they thought were necessary investment decisions and strategies to handle critical stakeholders. For example, one predecessor (FB-19.P) indicated that old clients wanted to continue doing business with him and not with the successor because the old clients knew his (the predecessor's) capabilities and style. The predecessor indicated that the functional relationship between him and his successor allowed them to devise a strategy that kept him involved with the family business in order to help old clients get used to working with the new management team. Based on his personal experience, this predecessor also indicated that many family businesses failed because the relationship between predecessors and successors were "messy" and "full of emotional conflict that started to rip them apart even before they realized it." In another case, the predecessor who reported having a functional relationship with his successors explained how he persuaded them to move the factory to another city to be able to sell the valuable land of the current location and save money with the relocation.

> "When I first opened this factory there was no one around here. We did not even have a proper road. Today we are in the middle of the city and our land is now worth more than the factory that is on top of it. They [his successor and younger brothers] wanted to move to another location in Istanbul but I told them that the government is giving huge incentives for

businesses that relocate to eastern provinces of the country. I persuaded them to relocate the factory there. They were hesitant because none of them wanted to go live there, but thanks to technology, you could monitor everything with the click of a button. When they realized I was not asking any of them to relocate, they saw that I was right and started the process of relocating the factory to Yozgat.

[when asked if they had objected to his proposal what would have happened]

 … If they had continued with their original plan I would have hit on the brakes right there and then. Thank God they were smart enough to realize the advantages of my proposal; otherwise, I am guessing we would have wasted a good chunk of our time trying to convince each other. And I am old, have no other job and am still the owner of the business, so eventually I would have gotten what I wanted, but the strained relationships and wasted time would have been a loss for us and the organization." (FB-1.P)

Interestingly, in this case the successor (FB-1.S) appreciated his predecessor's suggestion on this matter but indicated he made the decision based on several other factors and was not persuaded or pressured by the predecessor to make that decision. Once again this shows that even when predecessors and successors report similar conclusions, the path both actors take could be different; thus, it is important to compare information from multiple sources.

In addition, the same nine successors believed that functional relationships created a work environment where they had better access to idiosyncratic resources, which helped them to devise and implement better strategies for the family business. For example, the following quote shows how a functional relationship between the predecessor and the successor contributed to the wellbeing of the organization.

"He [Dad] knows all the current ministers; when we come across a stupid bureaucratic obstacle we would ask him to call some people to solve this problem. ... In our business, sometimes if you need to get something done you need the big bosses [politicians] to be on your side and dad knows many of them personally." (FB-4.S1)

These successors also indicated that functional relationships allowed them to multitask and freed them from mundane tasks, thereby giving them the opportunity to focus on developing and implementing new strategies. For example, one successor praised his predecessor's help preventing old clients and suppliers from leaving the business when he adopted a new, more professional management style.

158

"His open-mindedness and my willingness to listen and learn from his experience made it easy to show him and convince him that if we wanted a future for this company, we had to become more professional. ... His help and understanding was paramount during our transition period. Especially when he made sure old clients and suppliers did not leave us because they were not comfortable with the change." (FB-9.S)

Six out of the nine successors agreed that having a functional relationship with their predecessors created a work environment that increased their commitment to the organization and made them want to work even harder. These successors (FB-4.S1 and S2; FB-5.S; FB-7.S; FB-10.S; FB-15.S) enjoyed having their predecessors around and working with them towards a common goal. The following quote shows the relationship positive successor reaction has on the interpersonal relationship and, eventually, on the organizational wellbeing through improved commitment levels.

"Among my friends who had problems working with their dads, all of them hated going to work. We do not have that situation here. I enjoy what we have here with my dad. I know when things get tough there is someone here I can talk to who can understand me and even give me advice. That is why, unlike my friends, coming to work is not a chore for me. It is an opportunity to experience new challenges and learn how to deal with them. ... I am sure if dad wasn't around I would have still liked my job, but having him around is an extra bonus and makes me push even further and harder knowing that someone has my back." (FB-15.S)

4.3.2.1.2. *Hurting the organizational wellbeing*

All successors who reported negatively reacting to their predecessors' involvement (eight, or 47%) indicated that their dyadic interaction was not beneficial for the family business. Five of these successors (FB-6.S; FB-8.S; FB-11.S; FB-13.S; FB-14.S) reported that dysfunctional relationships caused by negative emotional reactions prevented them from making the necessary strategic investment decisions, which hurt the wellbeing of the organization. This finding was interesting because the majority of the predecessors believed they helped their successors make the right strategic investment decisions, and that this was one way their involvement contributed to the wellbeing of the organization. These successors believed that if the family business was going to survive and grow for the future, investments in certain areas such as marketing, infrastructure development and product diversification, which had been neglected by their predecessors, had to be done as quickly as possible. However, these successors also felt that their predecessors' continued involvement prevented them from making

and implementing strategic investment decisions, causing them to react negatively, creating a hostile work environment and leading them to conclude that the wellbeing of the family was not served. In the following example, the dysfunctional relationship the successor has with his predecessor, despite him choosing a "non-involvement" action, ends up with the successor quitting and the organization failing.

> "Even before I took over from my father the signs were there; the country and its economy were changing. The government was becoming less protectionist and the economy was becoming more liberal, which meant we had to be ready to compete globally and be able export our products. … When I took over from dad my first plan was to transform our leather jacket business from a mass production manufacturing model into a high fashion designer brand. This was the only way we could have survived once the market was flooded with Chinese manufactured stuff.

> To accomplish this I found designers, arranged fashion shows, even opened a shop in Canada to market ourselves as a serious international company. Yet none of them meant anything, because instead of focusing on business issues I had to spend my energy putting out fires my uncle was starting. Had my dad helped when I needed it and called him, the picture would have been different. … He should have helped me at that time, but he did not want to listen or be bothered with work related stuff, so after a while I got tired of this nonsense and quit. Shortly after I left, the business failed because they were not able to compete with the Chinese products and it was too late to rebrand the business as a designer company. Had they only listened to me..." (FB-11.S)

The second-most mentioned reason why some successors viewed their dysfunctional relationship as hurting the wellbeing of the organization was the appearance that there was no unity or harmony among top management of the family business. This appearance of disunity hurt the organizations in several ways. Four of the eight successors (FB-2.S; FB-6.S; FB-8.S; FB-14.S) reported that when a new procedure or rule was not liked by the old suppliers, customers or employees, these stakeholders tried to use the disunity among top management to continue to do business as if nothing had changed. One successor (FB-14.S) reported that he wanted to introduce a new automated ordering system for the suppliers and the customers, thus eliminating purchase and sales deals without any paper trail, which the old system was notorious for. However, the system never took off until he removed his father (the predecessor) from the business, because both the old suppliers and customers were not willing to be part of the system and continued to deal the old way with the father. In

another example, the successor reports how his negative reaction decreased employee morale and hurt the organization.

> "… When things go wrong because of his [the father's/predecessor's] management style, he returns and blames me. My brother was not able to take it; I am not sure how long I can handle him either. And you know what? Employees sense this stress and it places them on edge, because ultimately they know despite my assurances they cannot escape from his wrath. … He gets angry very quickly and starts insulting people over their mistakes, and I am left with the aftermath. Nobody likes to be treated rough and this affects morale. Low morale means employees not doing the job, damaging property, and you can see our line of business requires everyone to be alert because we are dealing with humans and living things [sea mammals, exotic fish and plants]. In the past, several slips by the employees when they were miffed after an encounter with him nearly caused a disaster." (FB-3.S1)

4.3.2.2. Proposition development about organizational wellbeing

Previous research has consistently found a positive relationship between interpersonal relationship quality and organizational outcomes (Le Breton-Miller et al., 2004). Dyer (1986) reports that conflict between the founder and the successor due to differences in management style (entrepreneur vs. professional) will negatively affect the organization. However, if there is mutual respect between predecessors and successors, this leads to positive organizational outcomes (Handler, 1991). Predecessors and successors with better interpersonal relationships have open lines of communication, positively contributing to the wellbeing of the organization through efficient tacit knowledge transfer (Cabrera-Suarez, 2005). Functioning interpersonal relationships also contribute to the wellbeing of the organization by improving successors' commitment levels, decreasing their stress and helping them deal with family-to-work conflicts (Kwan, Lau and Au, 2012).

Both predecessors and successors participating in this research also believed interpersonal relationships that were functional improved the wellbeing of the organization because this helped create a work environment that allowed the necessary strategic decisions to be undertaken in an effective and efficient manner. When successors are unhappy because they believe their interaction with the predecessor is creating a hostile work environment and preventing the development and implementation of new strategies, this will eventually hurt the organization (Davis and Harveston, 1999; Harvey and Evans, 1995). In this quote, one of the predecessors

161

speaks about his experience dealing with numerous conflicting family businesses as part of his profession (lawyer), summarizing the relationship between interpersonal relationships and organizational outcomes rather eloquently and symbolically.

> "… in family businesses the bond between the father and the son is important. The strength of their bond will not guarantee the success of the business, but the weakness of it will definitely signal trouble. There is that famous Lincoln [US President Abraham Lincoln] saying, 'a house divided amongst itself cannot stand.' Well, in family business's case when the house goes, so does the barn, the animals in the barn, and the harvest." (FB-19.P)

It is important to note that none of the participants referred to financial outcomes (i.e. profitability, revenue, market value, etc.) when referring to organizational wellbeing. Similar to what Chrisman et al. (2010) and Gomez-Mejía et al. (2007) proposed, the unique nature of family businesses led participants to not only pursue maximizing financial gains, but also goals that reflected the ideals and desires of the family system, which was to see the business survive for the foreseeable future. To achieve the none-financial objectives, the participants were mostly concerned with productivity, growth and the longevity of the business. Through empirical research, Morikawa (2012) found that "growth" in family businesses usually happens slower than in non-family businesses, but that its contribution to the longevity of the organization is higher. His findings suggest that family members' focus on growth rather than financial improvement is reasonable when the main concern is the longevity of the organization.

Findings of this research corroborate previous study results (mentioned above) and indicate a positive relationship between interpersonal predecessor-successor relationships and organizational wellbeing in the form of perceived expectation of growth and longevity. Functional relationships lead to more cooperation and sharing of resources, and a decrease in conflict, eventually paving the way for a work environment that is conducive to developing and implementing necessary strategic decisions. On the other hand, dysfunctional relationships lead to a work environment that hinders the development and implementation of necessary strategic decisions by moving in the opposite direction. Hence, the following proposition is made based on the research findings and supporting the evidence of previous studies:

162

Proposition 7: *Functional predecessor-successor relationships are more associated with organizational survival and growth than are dysfunctional predecessor-successor relationships.*

4.4. Summary and Model Development

It appears events and interactions that take place between predecessors and successors after the succession are as interactive and influential as the events and interactions prior to the succession. It seems that after the succession, predecessors either prefer to be regularly involved with the family business, dictating and ordering their successors what to do (i.e. frequent-directive-wide scope), or they choose only to give advice when it is needed and requested in regard to specific issues (i.e. infrequent-consultative-limited scope). Personal factors that influence predecessors' desire to initiate and transfer control to the successor during the pre-succession period similarly influence their choice of post-succession actions. Studies corroborate findings of this research indicating that predecessors' trust towards the successor (i.e. De Massis et al, 2008; Handler, 1990), personality-related ability to deal with uncertainty (i.e. Barach and Gantisky, 1995; Cabrera-Suárez et al., 2001), values (i.e. Kerfoot and Knights, 1993; Ling et al., 2012) and involvement with alternative activities (i.e. Lansberg, 1991; Potts et al., 2001) influence their desire to cede control to the successors. It appears, the more predecessors trusted their successors, were comfortable dealing with uncertainty, had egalitarian values and/or were involved in alternative activities, the more these predecessors preferred adopting a consultative role, providing advice only on issues that they were consulted on. On the other hand, when predecessors did not have high levels of trust towards their successors, were not comfortable dealing with uncertainty, had patriarchal values and/or had limited involvement with alternative activities, these predecessors tended to adopt roles that provided them oversight over the organization and the successor, allowing predecessors to regularly dictate their wishes to the other stakeholders.

In addition to personal level factors, previous studies (Davis and Hambrick, 1999; De Massis et al., 2008; Harvey and Evans, 1995) have indicated that contextual factors could also influence predecessors' level and type of involvement. A significant finding of this research was to discover how certain contextual factors like involvement requests

163

from successors, formalization (presence and implementation of formal rules) level of the organization, and strength of legitimate power allowed or prevented predecessors from turning their post-succession involvement desires into actual actions. It seems personal level factors can shape predecessor post-succession actions to the extent allowed by contextual factors. This means, for example, that if a predecessor wants to continue his/her involvement with the family business because he/she does not trust the successor, he/she could only display his choice of post-succession action if he/she has legitimate power, such as owning controlling shares of the company. In an alternative situation where the predecessor desires to have a limited, advisory type involvement with the family business because he/she trusts the successor or is busy with alternative activities, he/she would find it easier to adopt the desired type behavior if he/she was not constantly asked by the successor to get involved with the organization. Hence, the first two research questions about post-succession predecessor actions, and factors influencing these actions, can be answered as follows: personal level factors (i.e. trust, personality, values, and interest in alternative activities) tended to make predecessors choose between frequent-directive or infrequent-consultative type post-succession involvement actions; however, post-succession predecessor choices materialize as most likely when contextual level factors (i.e. requests from successors, level of formalization, legitimate power) create a suitable environment for such actions to occur.

If the succession process continues on even after the transfer of ownership and/or management (Cadieux, 2007) and successor perception about the process is a significant factor determining the outcome of it (Sharma et al., 2001), it is important to learn about the possible successor reactions to post-succession predecessor actions. It appears successors might not always visibly display their reactions, but they always have one. Successors always had an emotional reaction (positive or negative) to their predecessors' post-succession actions. Similar to previous study findings (e.g. Davis and Hambrick, 1999; Harvey and Evans, 1995; Mitchell et al., 2009), there appeared to be a negative relationship between predecessors' level of involvement and successors' emotional reaction. Successors, who frequently had to deal with predecessors trying to steer them in a certain direction, tended to display a negative emotional reaction because they thought this was a challenge to their authority and trustworthiness. On the other hand, successors who encountered consultant-like behavior from their predecessors tended to display a positive emotional reaction because they thought this

was a confirmation of and support for their authority and trustworthiness. Despite this direct relationship between post-succession predecessor action and successor reaction, there were cases that did fit into this relationship. Some successors were actually happy with the high-level predecessor involvement and some were unhappy due to lack of it. Were these cases exception to the rule or were there other factors shaping the emotional nature of the successors? Another point that emerged, which needed further exploration, was that some successors displayed their emotional reactions, while others did not.

An in-depth look at the successors who did not report a similar pattern of relationships between post-succession predecessor actions and successor reactions, and a careful reexamination of the other cases afterwards all indicated that successor anticipation about their predecessors' actions acted as a moderating factor when it came to generating an emotional reaction. This meant that anticipated predecessor post-succession actions were better received and managed by successors, improving the chances of a positive emotional successor reaction. On the other hand, unanticipated post-succession predecessor actions improved the chances of a negative emotional successor reaction because this led emotional exhaustion (Proost et al., 2012), a decrease in organizational commitment (Wanous et al., 1992), and increase in turnover intentions (Houkes et al., 2003; Major et al., 1995; Pearson, 1995; Turnley and Feldman, 2000).

Successors' emotional reactions were not unified. Some successors appeared to have stronger feelings than others towards their predecessors' post-succession actions and some were willing to visibly display their emotional reactions, while others were not. Predecessors' perceived intentions and treatment of the successor during the post-succession period influenced successors' interpretation of the post-succession predecessor actions. Similar to Judge and Colquitt's (2004) findings, when successors felt that their predecessors were treating them courteously and did not appear to have selfish motives behind their actions, the intensity of these successors' emotional reaction was high when they were feeling positive and low when they were feeling negative. On the other hand, when successors felt that their predecessors were not treating them courteously and that their actions originated out of selfish motives, the intensity of these successors' emotional reaction was high when they were feeling negatively.

Successors tended to display their emotional reaction, no matter how intensified it was, when they believed it would make a difference or when they thought their family upbringing allowed them to question their father's (predecessor's) actions. Like people who display withdrawal behavior when they believe their efforts will not lead to desired outcomes (Wright and Cropanzano, 1998), successors who thought making their feelings known to the predecessor was not going to change their post-succession actions chose not to make their reaction visible. Successors who had negative emotions believed that displaying their feelings would have jeopardized family harmony and their own wellbeing for no meaningful change. Similarly, when successors believed that it was not their place to question their father's decision, these successors chose not to make their emotions visible. Conversely, successors who were raised with values that allowed them to question their elders and search for better alternatives were more willing to display their emotions.

Whether the emotional reaction was visible or not is important because when successors' reactions are not visible, predecessors cannot know what their successors anticipate from them. For example, a majority of the predecessors (75%) admitted that they did not actually know how their successors felt about their involvement, saw no reason to be concerned and thus assumed a positive outlook. However, this could be a problem because if negative successor reactions are not visible, predecessors could continue to behave in an undesired way over and over again. Lack of visible reactions can decrease predecessors' responsibility if they behave in an undesired way and vice versa. On the other hand, when successors inform their predecessors what they want from them through visible reactions, satisfying or ignoring those requests can shape future actions and intensify future successor reactions. For example, if predecessors know that their successor needs their help, this could create a context which facilitates and increases their involvement levels or vice versa.

Based on empirical evidence provided by previous studies and the findings of this research, the third and fourth research questions regarding post-succession successor reactions to predecessor actions and influencing factors can be answered. Predecessors' post-succession actions do lead successors to react; however, the nature of the reaction (positive vs. negative) is moderated by successors' anticipations. This means as long as the successor anticipates the predecessor's post-succession action, the level of involvement will not matter as much when faced with an unanticipated action.

In unanticipated cases, whatever the predecessors' post-succession action is (e.g. frequent-directive, infrequent-consultative, etc.), it will lead to a negative reaction. In addition, the intensity of the successors' reactions can be increased or decreased by predecessors through courteous and altruistic approaches towards the successor. Finally, successors prefer to make their reactions visible when they believe it is their responsibility to come up with better alternatives and when they expect a meaningful change to come out of it; otherwise, these successors often do not to share their feelings with the predecessors.

Successors' reactions are strongly related to how the interpersonal relationship between the predecessor and the successor is being perceived. Both predecessors and successors agreed that negative feeling towards one or the other is not conducive to a relationship and would eventually lead it to become dysfunctional. Both groups also believed in the opposite situation, that positive feelings eventually led to functional relationships. Past research (Kidwell et al., 2012; Venter et al., 2005) also confirms this relationship between people's reactions and the impact of this on their relationships. However, it was interesting to observe that predecessors were less concerned about their interpersonal relationship with their successors because they expected and assumed that their successors should have no problem with their involvement, and that as a father they were entitled to their children's respect and love (Kagitcibasi and Sunar, 1992). Successors, on the other hand, were more active in trying to have and maintain a functional relationship with their predecessors due to personal, family and organizational reasons. Both predecessors and successors used successor reactions to describe the functionality level of their relationship with their dyadic partner to explain the impact post-succession predecessor-successor interaction has on the organization.

It emerged that participants perceived that their functional relationship with the dyadic partner contributed to the wellbeing of the organization and vice versa. The family business field has an extensive literature linking and showing a positive relationship between the quality of interpersonal relationships and organizational outcomes (Grieffeth et al., 2006). For both predecessors and successors, the wellbeing of the organization was served when decisions and actions contributed to the family business's growth, in which the ultimate goal was to improve the organization's survivability. Morikawa (2012) argues that this is a valid and rational choice for family businesses. Having a functional relationship meant both predecessors and successors were working together to achieve

desirable organizational outcomes (i.e. survival and growth), while dysfunctional relationships were related to the perception that the family business's strength, survivability and growth opportunities were being hurt. If the relationship becomes too dysfunctional and the actors perceive a significant threat to the family business arising from the deterioration of the relationship, this usually leads to a suspension of the interaction.

Based on these emerging findings, we could answer the fifth research question and present an integrated model (see Figure 6) that explains what happens during the post-succession period of the succession process between predecessors and successors and the outcome of this interaction. Personal factors might shape predecessors' decision how to act after the succession and contextual factors will determine whether predecessors could actually act the way that they desire. However, the type of post-succession predecessor action is significant when it is not anticipated by the successor. Whether a predecessor is involved in a frequent-directive or an infrequent-consultative way, they should make sure that their actions are anticipated by the successors; otherwise, it could lead to negative reactions, which could tarnish their interpersonal relationships, eventually preventing predecessors and successors from working together towards the common goal (i.e. the growth and survival of the firm) and hurting the organization that both care about and/or depend on. There might be times when predecessors feel compelled or forced to act in an unanticipated way. The negative reactions of the successor can be influenced in favor of the predecessor if the predecessors treat successors with courtesy and altruistic motives. If predecessors want to learn more about their successors' anticipations and/or true feeling, they should encourage their successors to develop alternative ideas and solutions, as well as make them (the successors) believe that through communication, meaningful change can be achieved.

Figure 7: Post-succession interaction theoretical model
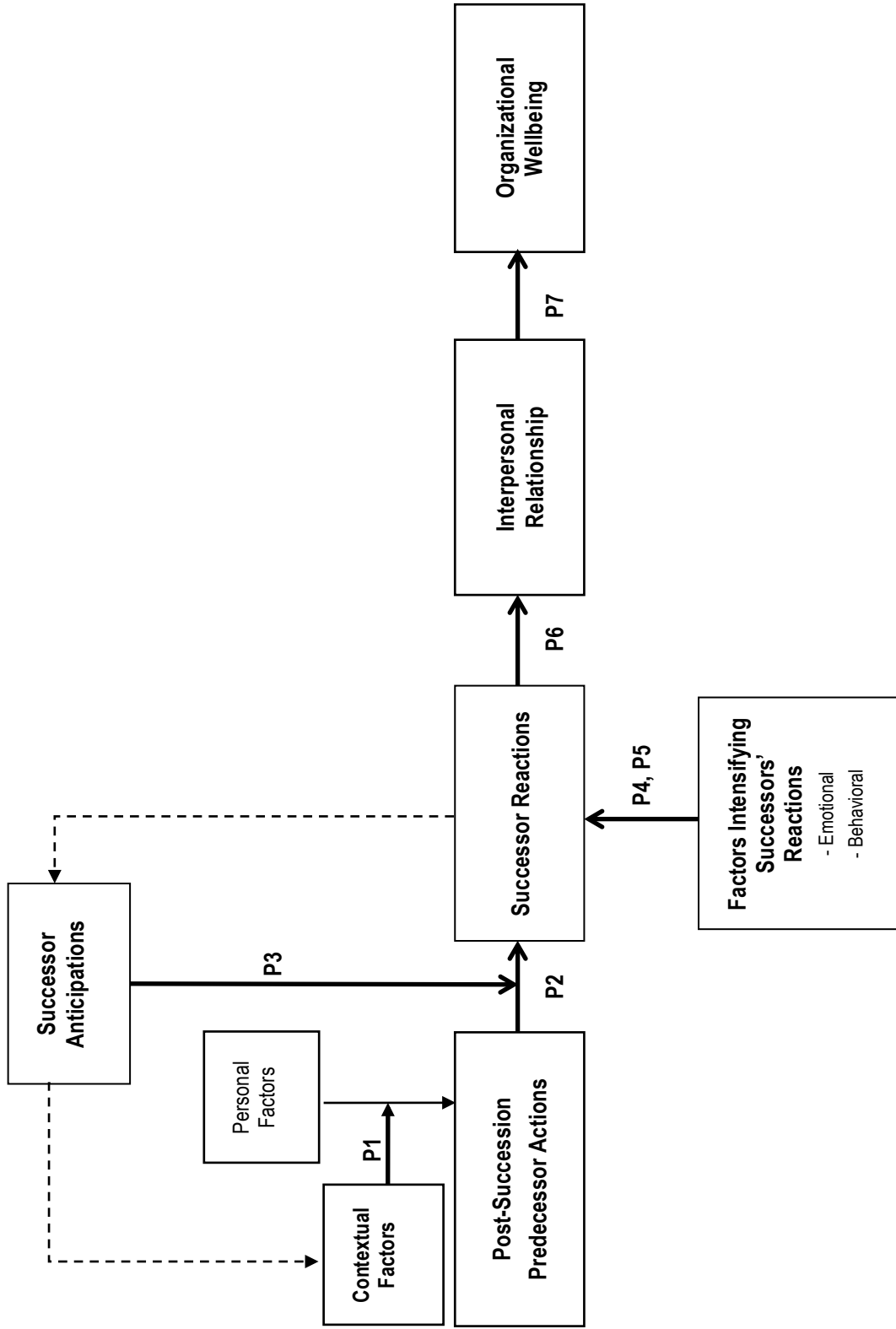
5. Implications and Conclusion

As demonstrated in this research, the personal stories of the participants depicted an elaborate tapestry of events and interactions that occurred in family businesses after the intergenerational transition. The richness of the data provided an excellent opportunity to explore different avenues about the reasons and outcomes of post-succession predecessor-successor interactions. However, Eisenhardt, and Graebner (2007) advise that good storytelling is not a substitute for good construct building and reporting. Hence, the focus of this chapter is on the theoretical and practical implications of this research for understanding leadership succession processes in family businesses and what this means for the organization. In regards to theoretical implications, the findings of this research contribute to the family business literature and the executive succession field in general, both conceptually and methodologically. The practical implications section provides concrete recommendations that family businesses, or other organizations having succession issues, could employ for post-succession interactions in order to achieve positive outcomes for the organization and its stakeholders. In addition, this chapter also discusses the limitations of the research and proposes future directions for research using the proposed model.

5.1. Theoretical Implications

The integrated model explaining the post-succession outcomes of predecessor-successor interactions during this period of the succession process can help the field gain a better understanding of the extended influence executive successions has not only on family businesses, but also on non-family businesses. A better understanding of the post-succession period, with its various interactions and outcomes, can also help improve in planning, preparation for, and management of the executive succession process.

The emergent model developed in this research extends the executive succession knowledge by bringing together two independent streams of post-succession research: (a) differences in the roles predecessors play after the succession (Cadieux, 2007; Sonnenfeld, 1988); and (b) the effects of continued predecessor involvement

(Brun de Pontet et al., 2007; Davis and Harveston, 1999; De Massis et al., 2008; Evans et al., 2010; Harvey and Evans, 1995, Quigley and Hambrick, 2012). The significance of this unified approach is that it shows post-succession predecessor-successor interaction is not a random event but a common occurrence with the power to significantly impact the outcome of the succession process and the wellbeing of the organization. Hence, this model suggests that researchers interested in executive succession outcomes should take a long-term focus; exploring the conditions, events and interactions that take place after the formal "succession" event.

This research shows that heterogeneity in predecessor personality, business and/or family context results in a wide variety of post-succession behaviors and simply categorizing their actions as "no involvement" or "continued involvement" would lead to overlook the nuances in their behaviors as well as the influence that personal and contextual factors have on their actions. The three emergent involvement dimensions (i.e. frequency, style, scope) can help capture the nuances in predecessors' post-succession actions and act like a bridge between typologies that use different categorization labels. In addition, this research shows that when determining the outcomes of post-succession predecessor actions, rather than stating possible benefits or disadvantages, a more appropriate approach would be to examine whether these actions are congruent with the expectations of their successors. Another contribution of this research is to highlight the changes successors' needs, expectations and understanding of fair treatment go through after the "succession." If predecessors are not aware or cannot accurately interpret these changes, they could turn their successors against them or make a bad situation even worse.. To explain how the findings of this research could benefit different types of organizations, the following section will first focus on the theoretical implications for family businesses and then for the non-family business.

5.1.1.   Implications for the Family Business Literature

In the family business literature, succession is a leading research topic because of its influence on the organization's survivability (Chrisman et al., 2005; Sharma et al., 1997). Transition from one generation to another is not a private event where a baton is simply exchanged between a predecessor and a successor (Aronoff, 1998; Sigalas et

al., 2008); instead, it is a process with gradual role changes between the incumbent and the successor (Handler, 1990; Le Breton-Miller et al., 2004). However, the interconnected systems (i.e., individual, ownership, management, family, environment) that differentiate family businesses from non-family businesses (Pieper and Klein, 2007) also make it difficult to determine when the role change ends between predecessors and successors. Previous studies (eg., Aranoff, 1998; Cadieux, 2007; Davis and Harveston, 1999; Harvey and Evans, 1995; Pardo-del-Val, 2009; Sonnenfeld, 1988) show that even after predecessors claim they have retired and transferred the baton to their successors, most continue to be involved with the family business and interact with their successors. Predecessors' transfer of title, authority and/or responsibility might signal a change at the executive level, but it does not mean that dyadic interactions, relationships, and effects on the organizational outcomes necessarily end (Harvey and Evans, 1995). On the contrary, this research found that the succession process does not have a clear ending as long as the predecessor is alive, sound in mind, and able-bodied. Even if the predecessor chooses not to be involved with the family business, continued interaction with the successor could still affect organizational wellbeing. As such, the succession process should be regarded as having two distinct phases demarcated by the transfer of top executive responsibility. The first phase is just prior to the executive transfer (pre-succession) while the second phase starts right after the transfer until the time that the authority of the successor is no longer challenged (post-succession) (Sigalas et al. 2008; Steier and Miller, 2010).

It is often emotionally and psychologically difficult for individuals to let go of things that they have worked so hard on (Kets de Vries et al., 2007).The literature is replete with studies describing how incumbents have difficulty not being in control even before the succession (eg., Brun de Pontet, Wrosch and Gagne, 2007; Marshall et al., 2006; Sigalas et al., 2008; West et al., 2003). Experimental research has shown that when individuals were separated from projects they were heavily invested in, this decreased their morale so much that they were willing to return to a project for a lesser pay (Mochon, Norton and Ariely, 2012). Hence, it is understandable to observe predecessors who have invested so much into the family business, continue to utilize any and every opportunity to stay connected with the organization. Sonnenfeld (1998) reports that when predecessors believe their mission in the organization is not complete

and these has been a long and challenging succession process, they will continue to actively seek opportunities to retain control and involvement with the business.

In addition, the predecessor presence and interactions with a successor or different stakeholders can trigger past memories and alter individuals' behaviors. These memories and inferred preferences significantly influence individuals' perceptions, decisions and ultimately their actions (Ariely and Norton, 2008). Proximity or interaction with the predecessor can alter the course of action individuals take during the post-succession phase even if this is not the intention of the predecessor. Employees, suppliers and/or customers can assume that business is as usual and ignore the strategic initiatives of the successor. Successors could feel that they are constantly being watched or evaluated, which could lead them to rebel against everything that represents the old guard (Miller et al., 2003). On the other hand, the mere presence of the predecessor could provide assurances to different stakeholders that a qualified backup is ready to support the new successor. Hence, when examining the succession process in family businesses we should not ignore the continued influence predecessors can wield over the organization and the successor even after the executive baton is transferred.

Family businesses might share certain similar characteristics such as family involvement and the desire to transfer sources of influence to the next generation of family members. However this does not mean there are no significant differences among them. Astrachan and colleagues (2002) showed that family businesses could vary across different dimensions such as power, experience and culture. The power dimension shows that family businesses could be differentiated according to their ownership, governance and management structures. The experience dimension indicates that how many times the organization has gone through a generational transfer, the number of family members involved with the business and their positions within the firm is another source of differentiation between family businesses. Finally, the culture dimension shows that family businesses differ along the lines of overlap between family and business values, and the family's commitment to the business. In addition, the numerous definitions of family business attest to the organizational heterogeneity of family businesses (Chua et al., 1999; Chu, Chrisman, Steier and Rua, 2012; Klein, Astrachan and Smyrnios, 2005).

A significant source for this heterogeneity among family businesses is the differences in their executives and the environments they operate in (Garcia-Alvarez and Lopez-Sintas, 2001). Previous research also shows that differences in incumbents' and predecessors' personalities, values and concerns can influence their behaviors during the succession process (Cadieux, 2007; Sonnenfeld, 1988). However, current post-succession predecessor behavior typologies do not reflect the variety and nuances of their decisions and actions. For example, some researchers (Davis and Harveston, 1999; Mitchell et al., 2009) differentiate post-succession predecessor behavior as being involved or not being involved; arguing that the former always leads to negative outcomes. In addition, case studies by Cadieux (2007) and Cabrera-Suarez (2005) further delineate predecessor involvement as being either at a high or low level. However, the present research suggests that these dichotomies do not sufficiently reflect the nuances needed to understand and predict predecessors' post-succession behaviors. For example, Cabrera-Suarez (2005) reported about a predecessor who was not involved with the details but had the final say in all major decisions made by his successor. She classified this type of involvement as low because it was limited to major decisions. However, continuing to have the final say and the frequency of exercising this power could also lead one to consider this predecessor's behavior as being at a high level. As identified in this research, dichotomous categories do not reflect the nature and reality of predecessor involvement during the post-succession phase.

Predecessors' post-succession actions can differ in terms of three unique dimensions: style, frequency and scope. These behavioral dimensions can be measured on a continuous scale thereby allowing for a differentiation between seemingly similar predecessor behaviors. Even when post-succession involvement behaviors are categorized based on the anchors of each continuum (directive vs. consultative; high vs. low; wide vs. limited); there are at least nine different ways (including non-involvement) that predecessors could continue their involvement. Compared to the dichotomous approaches of previous research, these dimensions better capture the nuances in predecessor actions and their impact on their family business. As shown in Table 13, this three-dimensional approach offers a way to map predecessor behaviors on to other typologies.

***Table 13: Post-succession predecessor role categorizations and their similarities
based on the emergent dimension of involvement***

Dimensions of involvement (from this research)	Sonnenfeld (1988)	Handler (1989)	Cadieux (2007)
Frequent Involvement Directive in Style Wide in scope	Monarch General	Sole Operator	Technician
Limited involvement Consultative in style Limited scope	Governor Ambassador	Consultant	Consultant

Another source of heterogeneity in family businesses and among their executives includes the conditions in which they operate. Sharma (2004) and her colleagues (1997) suggested that the family business field needs more research that explores the effects of context on family members' attitude towards the firm. A number of studies describe under what environmental conditions predecessors might find it easier or more difficult to transfer ownership and/or management to the next generation (e.g., Brockhaus, 2004; Goldberg and Wooldridge, 2004; Le Breton-Miller et al., 2004; Neubauer, 2003; Tatoglu et al., 2008). However, these studies do not explain how context shapes predecessors' post-succession behavior. The conceptual model developed in this research complements these previous studies by explaining how organizational structure and interactions with successors affects predecessors' ability to realize their planned post-succession involvement. If we assume succession is like a relay race, even if the previous runner (predecessor) wants to continue to run behind the current baton holder (successor), he or she will still be restricted by several factors such as: does the baton holder want the other running behind? do the rules of the race allow it? does he/she have the energy/power to continue? If any or a combination of these factors are present, it will be easier for the previous baton holder (predecessor) to follow the one currently holding the baton (successor). However, if any or a combination of these factors are not present, no matter what the previous runner's (predecessor's) intentions are, he/she will need to stop. Predecessors might want to be frequently involved with the family business and dictate their will over the successor. However, if the predecessor does not have any legitimate power, such involvement can be blocked by the successor or other stakeholders.

Changes in contextual factors could alter the succession process by influencing the transition to progress in a non-linear way (Lachlan, 2011; Sigalas et al., 2008; Venter et al., 2005). Thus, it should not be assumed that predecessors' control would continue to decrease while their successors' increases during the post-succession phase of the succession process. The findings of this research provide evidence that during the post-succession period, an increase in the successor's control does not necessarily mean that there is a proportional decline in the predecessors' power or interest in the firm. Even when predecessors shed all of their titles after the succession, they could still remain involved with the family business as a majority shareowner and/or senior family member.

There are conflicting findings regarding the effects of continued predecessor involvement. For example, some researchers (e.g., Bernhard, 2011; Davis and Harveston, 1999; Mitchell et al., 2009; Morck and Yeung, 2004) argue that the predecessor's presence makes it difficult for the successor to gain control over the business, negatively impacts managerial efficiency and effectiveness, increases the level of interpersonal conflicts within the organization, and prevents the firm from adapting to the changing environment. In addition, some researchers suggest that organizational outcomes are influenced by the level of assertiveness that predecessors display after the succession (see Harvey and Evans, 1995). The more directive, frequent and wide scope predecessors' involvement becomes, the more likely this would lead to negative outcomes for the successor and the organization. This is based on the argument that the more assertive post-succession predecessor involvement becomes the more likely this would disrupt the succession process (De Massis et al., 2008) and damage the family, interpersonal and intergenerational harmony (Brun de Pontet et al., 2007; Grieffeth et al., 2006; Handler 1989). In contrast, some researchers (e.g., Aronoff, 1998; Ensley and Pearson, 2005; Sundaramurthy, 2008) contend that continued predecessor involvement does not necessarily lead to negative outcomes. Instead, predecessor involvement could provide access to valuable resources and actually help strengthen cohesion, build consensus and manage conflict among the next generation of family members.

Focusing primarily on predecessor actions can be impediment to accurately determining whether having the previous generation around after the succession leads

to positive or negative outcomes. This research highlights that similar to the pre-succession phase of the transition process, successor satisfaction is the key factor that determines the nature of outcomes (Goldberg and Wooldridge, 1993; Handler, 1994; Sharma et al., 2004; Venter et al., 2005). In other words, it is not the predecessor's post-succession behaviors per se that shape the outcomes but the successors' reactions. The factor that influences successors' reactions is whether they perceive an alignment between anticipated and actual predecessor post-succession actions. Intimate knowledge about the predecessors' personality and capabilities, coupled with successors' own expectations leads successors to anticipate the post-succession actions of their predecessors in certain ways. These expectations can help successors prepare for what is to come after they receive the baton from their predecessor. There is a significant support for the existence of a positive relationship between successor preparedness and a successful succession process (e.g. Brockhaus, 2004; Cabrera-Suarez et al., 2001; Kaye, 1999; Le Breton-Miller et al., 2004; Venter et al., 2005; Westerberg and Wincent, 2008). The more prepared the successors are, the better they can adapt to what awaits them. For example, even if a successor does not request their predecessor to be involved but anticipates that they will, these successors prepare to deal with this type of interaction and tend to successfully manage both their interpersonal relationship with the predecessor and with the organization. However, if predecessors behave in an unanticipated way, this results in a misalignment with the path envisioned by the successors thereby shaping their reaction in a negative way.

Further, when succession outcomes are perceived by successors to be aligned with their career interests and needs (psychological and life-stage), they tend to be more committed towards the family business (Sharma and Irving, 2004) as well as satisfied with the succession process (Carlock and Ward, 2001; Handler, 1989; Kaye, 1999; Lansberg, 1999). Steier and Miller (2010) argue that post-succession expectations for the family business are that it becomes less patriarchal, and more meritocratic and professionally governed. Successors generally expect their new position to provide them improved income, career advancement, mutual respect, trust, support and mature adult treatment from their predecessors as well as from different stakeholders (Handler, 1989; Kets de Vries, 1993; Sharma, 1997). Thus, it is reasonable to expect a successor to evaluate whether or not the predecessor's post-succession actions are conducive to meeting the successor's needs/expectations before reacting. If successors expect or

need to be trusted and perceive constant monitoring as a sign that their predecessors are not trusting them, frequent post-succession involvement on the predecessor's part can be interpreted by the successor as a challenge to his or her trustworthiness, and infrequent involvement as a confirmation of their trustworthiness. What this suggests is that due to causal sequencing (i.e., actions precede reactions), successors might appear as if they are reacting to predecessors' actions. However, in reality successors' reactions are a display of their satisfaction with how close or further away their predecessors' action places them in regard to achieving their own needs or expectations. The more successors perceive getting closer to achieving their needs or expectations, the more positively they will react (Barach and Gantisky, 1995), and the further successors feel they are getting away from their needs or expectations, their tendency will be to react negatively (Stravou, 1999).

Pieper (2010) suggested that the family business literature must use more psychological theories to explain events, interactions and relationships in family businesses. This is an important call because findings of this research shows that motivational theories (e.g., expectancy and equity) could also help explain why successors behave the way they do during the post-succession phase of the succession process. For example, successors become less motivated to display their discontent towards the predecessor if they perceive that any amount of effort would not lead to a meaningful change. One way to build courage among successors so that they could confront their predecessors is to install in them the value of speaking what's on their mind and by not using power to force discussions to end. In family businesses sometimes predecessors raise their successors just to follow their commands and after the succession, they complain that they have to keep being involved because the successor is not fully taking charge. In many such cases, successors do want to take charge but feel that they will be prevented from doing so; and when they are raised to place protecting family harmony before everything else, they tend to stay silent. Family businesses and predecessors need to be careful because protecting family and interpersonal harmony could be at the cost of a successor not being able to voice his or her opinion. Successors who cannot voice their opinions could start to resent their predecessor, the business and even the family, which could lead to negative interpersonal and organizational outcomes including a decrease in motivation, job satisfaction and organizational commitment (Harvey and Evans, 1994).

To understand successor's reactions we also have to look at whether they perceive their predecessors' treatment towards them to be just or not. Van der Heyden, et al. (2005) and Lubatkin, Ling and Schulze (2007) advance that in family businesses the fundamental fairness principles are distributive and procedural justice. Although there is some disagreement about whether interactional justice is a separate construct or a dimension of procedural justice, the bulk of research evidence seems to suggest that individuals form separate justice perceptions about formal processes and those individuals implementing them (Colquitt 2001; Masterson, Lewis, Goldman and Taylor, 2000). Yet there is very little mention of interactional justice and its influence on individuals' behaviors during the pre- or post-succession phases. In that predecessors' courteous treatment influences the intensity of their successors' emotions after the succession, interactional justice becomes a primary concern for successors. People would like others to treat them honestly, respectfully and courteously, and expect those whom they care about to do this naturally (Van der Heyden et al., 2005). If predecessors' post-succession actions are in congruence with successors' desire for honest, respectful and courteous treatment, this can positively influence successor satisfaction levels (Judge and Colquitt, 2004), even at times when predecessors' post-succession actions are hindering successors in achieving their needs. The opposite can also be true.

Finally, the proposed conceptual model highlights how post-succession interactions between predecessors and successors can be a strategic advantage for organizations. Although, family involvement could provide valuable resources to the organization (i.e. cheap labor, cheap financing options, access to exclusive networks and decreased agency costs), it could also make the succession process challenging, create additional sources of conflict and turn constructive competitions into destructive rivalries among family members, all of which could negatively influence the survivability of the organization. When Sorenson (1999) examined the five conflict management strategies of competition, collaboration, compromise, accommodation, and avoidance used by family firms, he found that avoidance and competition led to negative strategic outcomes while collaboration resulted in positive outcomes for both the individuals and the organization. Hence, if predecessor-successor interactions are managed effectively, they could ensure family involvements turn into strategic advantages that would be difficult for other types of organizations to duplicate.

To effectively manage predecessor-successor interactions one must realize that in family businesses the dyadic relationship is more than a simple struggle for authority, control or power. Instead it is about preserving legacy, securing income, improving one's career, proving capabilities, receiving respect and/or earning trust. When there is agreement and alignment between predecessors and successors regarding how to reach these goals their interactions become collaborative and help serve the wellbeing of the organization. For example, Pieper, Klein and Jakiewicz (2008) found that in family businesses, goal alignments between owners and management can lead to less formal control mechanisms. A similar relationship can be found among predecessors and successors during the post-succession period. As owners, if predecessors perceive their vision for the organization and that of the successors is aligned, they will have less need to formally oversee management of the organization. For example, predecessors who trust their successors tend to have an infrequent and consultative type involvement. These predecessors' actions are not motivated by a desire to control, but rather to help so that successors can achieve goals that both agree are beneficial for the family and the business. Hence we could conclude that if both predecessors and successors communicate with each other regarding what they expect from one another and agree on an action plan, continued predecessor involvement can actually prevent conflict, competition and avoidance within the dyad and among family members; as well as promote collaboration and resource sharing.

5.1.2. Implications for the Non-Family Business Literature

Although the family business field is not reluctant to borrow and utilize theories and propositions from other literatures, there is less of an effort to explain how its findings can be used by non-family businesses (Bird et al., 2002; Zahra and Sharma, 2004). Pieper (2010) argues that family business studies can equally contribute to the general discourse as much as they benefit from it. Hence, the discussion regarding the implications of this research is not limited to the family business literature. Non-family businesses that are dealing with executive succession issues can benefit from the proposed conceptual model to understand and prepare for possible post-succession involvement.

The common occurrence of continued predecessor influence on the family business can help understand and prepare for similar situations in non-family

businesses. Although non-family businesses are usually not associated with continued post-succession predecessor involvement with the firm, a growing number of non-family business predecessors are staying behind after the succession (Karlsson and Neilson, 2009). Former CEOs in non-family businesses who continue their involvement tend to do so to secure their legacy (Matta and Beamish, 2008), or more significantly, ensure their financial wellbeing (Harris and Helfat, 1998). In many cases, when the outgoing CEOs do not fully depart the organization, they tend to remain as chairman or a board member (Brickley, Linck and Coles, 1999; Evans et al., 2010; Vancil, 1987). Mixed findings have been reported regarding continued predecessor involvement in non-family businesses. Quigley and Hambrick (2012) have found that retaining former CEOs as a chairman or a board member was negatively related to post-succession strategic change and performance. On the other hand, Evans et al. (2010) called this situation "retention light" (p. 1016) and report that this can be beneficial because former CEOs have unique monitoring and advising abilities. However, the authors also acknowledge the possibility that former CEOs could exploit their new position within the organization for their personal benefit. For example, when former CEOs own a significant amount of the company shares and/or become a board member, they can gain power and legitimacy to advance their own agenda over that of successors (Evans et al., 2010; Pissaris, Weinstein and Stephen, 2010).

If continued predecessor involvement becomes an issue for a non-family business the proposed model from this research could help them prepare and manage the post-succession phase. From the model we can observe that successors' anticipation regarding what awaits them after the transition is a key factor that influences the outcome of the succession process. Since continued predecessor involvement is not typical in non-family businesses, successors need to be informed and prepared that the incumbent might stay with the organization in a different capacity after the succession. Formalizing each actor's roles, responsibilities and authorities in advance can be used as a means to inform and prepare successors for what awaits them after the succession regarding their predecessor. In addition, formalized rules and procedures could help prevent predecessors from pursuing their own self-interest, and provide successors the opportunity to control their predecessors' influence so that it benefits the organization or at least does not harm it.

Since family businesses could place non-economic goals, such as improving the lives of family members, ahead of profit maximization a stronger bond could exist between its members and the organization. Pieper (2007) showed that due to additional familial and emotional ties, which non-family businesses lack, there exist stronger levels of cohesion among family members in family businesses. It is this strong cohesion that prevents many family members from quitting the business even when they are not happy with their current situation. However, executives in non-family businesses lack the family cohesive tie; thus, it becomes easier for them to quit if they are not satisfied with their job or the organization (Grieffeth et al., 2006). The proposed model indicates that if successors are facing misalignment with what they expected and feel they are being treated inequitably, their motivation towards the job and the organization could decrease significantly; making it more likely for them to cut short their tenure. For example, new successors in non-family businesses will be initially concerned with proving that their appointment positively contributes to the financial wellbeing of the organization (Shen and Cho, 2005). Thus, if former CEOs continue to be involved with the firm, their successors will first evaluate whether this would help them improve organizational performance (which the successor could get credit for), and second they would examine the quality of their work relationship (collaborative vs. competitive, and courteous vs. insolent). If former CEOs are courteous, collaborative and helpful in establishing that the successor can improve organizational performance, value and/or profit; the successor should react positively and contemplate less about quitting because of the post-succession predecessor involvement. However, if successors' managerial control is challenged or they are not treated by the predecessor with the level of respect they were expecting, successors could initiate countermeasures against the former CEO or quit, which does not serve the interests of the organization.

Another area where the findings of this research could be useful for non-family business succession studies is insider versus outsider successor selection in non-family businesses. In non-family businesses, a prepared insider successor (Zhang and Rajagopalan, 2004) is the closest thing to a family member successor (Meijaard et al., 2005). Examining the interaction between family members, in this case father-son interactions, non-family businesses can gain insight into the challenges and advantages of promoting an insider successor, especially when the former CEO decides to continue to be involved with the firm. For example, in family businesses, predecessors expect

182

their successors to protect their legacy because they raise and train them to do so (Aronoff, McClure and Ward, 2003). When these expectations are not met, predecessors in family businesses can try to increase their oversight or control over the organization. Similarly, in non-family businesses, former CEOs might also expect that after all their efforts to prepare the successor for their new position, the least the successor could do is to protect their reputation and legacy (Evans et al., 2010). Similar to a father, if a former CEO feels the successor will not or cannot protect their (the predecessor's) legacy or may harm their reputation, the former CEO will have more reason to utilize an opportunity to continue their involvement with the firm.

5.2. Methodological Implications

Giambatista et al.'s (2005) review of the executive succession literature concluded that the field needed more nuanced studies that take contextual differences into consideration. The authors argued that instead of trying to develop theories that could explain the whole succession process for all types of organizations, researchers should focus on understanding how different parts of the process operate for different types of organizations and collaborate to understand the bigger picture. In other words, instead of trying to draw the big picture, researchers should use their smaller puzzle pieces to make up the big picture (Giambatista et al., 2005). Hence, this research focused on the smallest unit in a family business, the individual, examined its interaction with another family member (another individual) and found how interactions between individuals could significantly affect interpersonal relationships and organizational outcomes.

The findings of this research confirm Pieper's (2010) claim that using individual, social and psychosocial approaches to interpret family member behaviors and interactions can provide relevant insight needed to understanding the dynamics that affect a family's business and its members. Review of the literature (Astrachan and Jaskiewicz, 2008; Bjornberg and Nicholson, 2007; Gomez-Mejia et al., 2007; Zellweger and Astrachan, 2008) indicates there is growing "interest in individuals' emotions (both positive and negative) and motivations for explaining the behavior and performance of family businesses" (Pieper, 2010, p.28), and the findings of this research can be included in the body of research that tries to address this growing interest.

Since family members can interpret events differently (Brun de Pontet et al., 2007), the recommended data collection approach is to acquire information from different respondent groups rather than rely on a single one (Sharma, 2004). Collecting data from multiple sources allows the opportunity to observe how predecessors' and successors' expectations differed from each other. It was interesting to observe a contradiction between research subjects and then attempt to learn more about the individual's psyche and the lack of such attempts at understanding by the participants themselves about their dyadic partners. It emerged that in many cases, predecessors and successors were unaware of each other's emotions, motivations and expectations. For example, during the post-succession period, some predecessors expected their successors to adapt to them by virtue of seniority and parental ties (Bell and Avery, 1985), while successors expected their predecessors to adapt to them because they were now heading the organization (Venter et al., 2005). Some predecessors had a more positive outlook regarding their involvement actions and outcomes, and were often unaware of the concerns or negative emotions harbored by their successors. Instead the predecessors had their own different concerns regarding the organization. Similarly, successors also demonstrated that they were unaware of their predecessors' intentions, concerns, fears and perceptions. Considering that interactions between predecessors and successors in family businesses are replete with elements of power struggle, differing ways of approaching management and unresolved emotional issues, there is an increased chance that being unaware of each other's perceptions could lead to misunderstandings that could turn into affective conflicts (Barach and Gantisky, 1995; Kaye, 1996; Michael-Tsabari and Lavee, 2012). Thus, when developing theories and trying to help family businesses survive and grow, it becomes crucial to recognize that policies and procedures developed based on either predecessors' or successors' views will not be complete and will not provide an accurate picture.

Finally, a recent review of the family business literature by Litz, Pearson and Litchfield (2012) shows that the greatest opportunity to contribute to the family business field lies with non-Anglo studies and understanding the "why" questions of qualitative results. This research is conducted among family businesses that do not have an Anglo background. This model not only proposes relationships but also explains in detail why these relationships exist, but how they influence peoples' perceptions and behaviors and

the subsequent outcomes. Collecting data from multiple generations, predecessors and successors, contributes to discovering different points of view in succession processes.

5.3. Practical Implications

The practical implication of the emergent model has the potential to be useful for individuals or groups that are involved with family businesses. Considering that 80-98% of corporations around the globe are classified as family owned and/or operated businesses (Poza, 2007), it is conceivable that the number of individuals and groups that could directly relate to and benefit from this research would be extensive. Researchers who view continued predecessor involvement with the family business as a major source of conflict have recommended keeping the predecessors as far away as possible from the family business (Brun de Pontet et al., 2007; Davis and Harveston, 1998; Harvey and Evans, 1995; Quigley and Hambrick, 2012). However, trying to keep predecessors away from the family business would mean the successor and the organization can lose access to valuable resources such as access to personal networks, transfer of idiosyncratic knowledge and experiences learned from the past. In addition, the assumption that predecessors' ties can be easily severed in family business, especially when there is a familial relationship involved, ignores the side channels of informal communication that exist in these organizations (Pieper, 2010). For example, in the case (FB-11.S) where the predecessor actually severed all his formal ties with the family business, the successor still expected the predecessor to help him because of their father-son relationship.

Organizations, especially family businesses, have to be prepared for continued predecessor involvement (Aronoff, 1998). The focus of post-succession preparation should shift from the question "what will the predecessor do after he/she retires?" to "how can we accommodate the predecessor so that they, their successor, the organization and the family can all benefit from this?" Studies show being prepared (via mentality, motivation, knowledge and skill) is significantly related to positive succession outcomes both for the individual and the organization (Chittoor and Das, 2007; Chua et al., 2004; Handler, 1994), which the findings of this research confirm. Researchers from other fields have provided valuable insight into different dimensions of this process. For example, legal experts and accountants usually focus on estate planning (Bjuggren and

Sund, 2001), economists and business strategists are mostly concerned with developing formulas to determine whether it is best to keep the business in the family or sell it (Lee et al., 2003), psychologists focus on the family dynamic (Grote, 2003; Kets de Vries, 1993; Kets de Vries et al., 2007), and management researchers are concerned with identifying ways to help the longevity, efficiency, and effectiveness of the organization (Brockhaus, 2004; Cabrera-Suarez, 2005; Dyck et al., 2002; Miller et al., 2003; Sharma et al., 2001; Stavrou, 1999). Findings of this research will contribute to the abundant array of recommendations about "how to prepare for succession" by showing that the post-succession phase is not a mere continuation of the pre-succession phase. Change in contextual dynamics and expectations make it important to consider and prepare for the post-succession period on its own merit, especially when the predecessor is going to remain involved.

To be prepared for the post-succession period is to recognize that both predecessors' and successors' desires and evaluations about each other and the organization are based on their needs, expectations, and concerns (Carlock and Ward, 2001; Handler, 1989). However, predecessors' and successors' needs, expectations and concerns are not always clearly laid out. Thus, to begin a dialogue between predecessors and successors, first both parties have to be aware of their own true needs, expectations, and concerns. If one cannot be honest with him or herself, it will be relatively difficult for one to be honest with others (Kaye, 1996). Once individuals know what they need, they can identify how many of these needs could be satisfied by the family business and how much he/she values it (Sharma and Irving, 2004). When planning for the post-succession period, this information would help both predecessors and successors to have realistic expectations of one another. Contingencies could be developed to channel the involvement of the predecessor rather than spending time trying to prevent it or hoping that with dissatisfaction, it will end by itself. Open and functioning communication channels could help inform successors about what their predecessors are expecting from them, as well as what successors are desiring from their predecessors. Once both predecessors and successors are aware of each other's expectations, they can find common ground on which to interact even after the succession, thereby preventing negative feelings such as despair, frustration, anger and resentment, which could lead to dysfunctional conflict between predecessors and successors (De Dreu and Van Vianen, 2001).

Based on the relationship identified by this study, it can be inferred that if predecessors and successors start discussing what roles they intend to adopt and come to an agreement regarding their post-succession behaviors and follow this through, there would be less conflict caused by unanticipated actions, improving interpersonal relationships and helping the organization survive and grow. Open communication channels can also help shed light on envisioned goals for the organization and strategies to achieve these goals. Often, predecessors and successors envision different strategies to achieve a common goal for the organization (Mitchell et al., 2009). Prior discussion and/or agreement on strategic direction would minimize unexpected and conflicting encounters, and the need for intervention.

In family businesses, specifically, open and functioning communication channels are important because the connected ownership, family, and management sub-systems mean that post-succession interactions require individuals to communicate with each other whether they like it or not, or whether they want it or not (Poza, 2007). However, if the succession process is not discussed because this is seen as a taboo (Applegate, 1994), this presents an additional challenge that needs to be addressed (Handler and Kram, 1988). The better the communication between the predecessor and successor, the fewer chances there are of misunderstanding each other; hence, there will be less conflict between them. Predecessors, due to their personal investments and as parents, want to see the family business and their successors succeed (Stavrou, 2003). The findings of this research show that none of the predecessors desired to intentionally conflict with or create stress for their successors. Even when predecessors' actions were considered undesirable, the intention behind the action was to genuinely help the successor succeed. Pieper (2007) recommends that informal chats between predecessors and successors are an excellent way to communicate, in that the casual atmosphere would help prevent conflicting ideas to be charged with negative emotions. Poza (2007) recommends having an independent board of directors or a family council comprised of prominent family members to facilitate and maintain open discussions without them turning into dysfunctional conflicts. Kets de Vries et al. (2007) suggest in times when the communication channels are blocked or not utilized, professional help could be sought from consultants experienced and/or trained in dealing with family related psychological issues. In essence, the whole culture of the family and the business needs to support open communication and be tolerant of open dissent.

When preparing for the succession process, structural issues about the organization should be addressed, preferably before the transition process starts and at the very least, should not be ignored during and after the process (Sharma et al., 2004). The structure of the organization plays an important role in how individuals behave in an organization (Langton, Robbins and Judge, 2009) and family businesses are no exception. If there is no formal organizational structure with generally accepted norms regarding who has what authority and responsibilities, this leads to more conflicting interactions and tension among predecessors and successors (Tatoglu et al., 2008). It appears that when organizations have formalized structures defining individuals' authority and responsibilities, both predecessors and successors tend to have a functional relationship and the wellbeing of the organization benefits. Writing down the succession steps and making them well known can act as a stabilizer; decreasing confusion and anxiety levels within the organization during and after the transition (McKee and Driscoll, 2008).

Predecessors must realize that they add more value to the family and the organization when they build institutions that effectively govern the relationship between family, management, and ownership without the need for continuous micromanagement (Poza, 2007). Predecessors' experience, network connections, and resources are valued and many successors do enjoy working with their parents, but they do not like to be constantly challenged or told what to do (Miller, Steier and LeBreton-Miller, 2003). If predecessors, regardless of their intentions, do not allow the next generation to stand on their own feet, the successors will be highly dependent on the predecessors and will have less desire to take responsibility in the organization (Stravrou, 2003; Cabera-Suarez, 2005). Kets de Vries (1993) argues that in family businesses, successors expect their new position to provide them respect and mature adult treatment from their co-workers and families. However, if successors do not receive what they expect, this can lead to a breakdown in communication, disruption in organizational and family harmony, and eventually lead to damaging the wellbeing of the organization (De Massis et al., 2008). Predecessors need to recognize that they will not be around indefinitely to oversee their successors; thus, predecessors should provide successors with the space and opportunity to develop their own management style and organizational strategy. On the other hand, successors have to remember to recognize the physical, financial, and psychological investment their predecessors have made to the family business

(Cabrera-Suarez et al., 2001). It appeared that in family businesses where both the predecessor and the successor reported positive post-succession interactions, a limited scope approach was preferred, where predecessors' main responsibility was limited to a non-core division or function of the family business, so that the predecessor could continue his involvement with the organization and not cause major strategic conflicts.

Finally, being able to make realistic assumptions about their future prospects in the family business is important for successors (De Massis et al., 2008). Hence, this emergent model could aid successor predictions regarding what type of interaction awaits them with their predecessors during the post-succession phase of the process. The findings of this research show that successors should take charge of their own post-succession role. Most of the predecessors participating in this research believed that authority or responsibility is not something given but rather, taken. Many times dyads find themselves in a conflicting situation because the successor is waiting for their predecessor to let go of the business and the predecessor is waiting for the successor to take charge of the situation. It is the successor's responsibility as an adult to figure out their needs, inform their predecessor of these, and pursue them in a constructive manner (Handler, 1989).

5.4. Limitations and Future Research Directions

The qualitative approach facilitated an in-depth exploration of the post-succession interaction between predecessors and successors but limited sample size. There were only 26 participants from 19 family businesses. Since studies utilizing grounded theory methodology should be more concerned with ensuring theoretical saturation rather than trying to achieve large sample sizes, comparable to quantitative studies (Gibbert et al., 2008), significant attempts were made to have a sufficient number of participants to confidently conclude that theoretical saturation was achieved. In addition to following the data collection guidelines set for grounded theory (Strauss and Corbin, 1998), to ensure theoretical saturation was achieved, several steps were taken. First, when collecting data from the participants, events and interactions that contradicted one another, codes and categories that emerged previously were actively pursued. The objective was to ensure that possible variants of interpretations were sufficiently covered and researcher bias did not lead to overlooking an important relationship. Second, to ensure that grounding the theory was not prematurely

concluded, a business faculty's assistance, independent from this research but knowledgeable in qualitative research, was acquired (see Chapter 3, p. 83). Finally, even after moving from lower-level coding to theorizing about relationships, one more attempt was made to find participants. The last attempt to find new participants was not simply to increase sample size but to test whether the existing categories, properties or relationships were supported and if new ones emerged.

Another limitation concerns the method of inquiry. The research relied on the use of in depth-interviews; thus, the data collected depended on the self-report of participants. The concern with self-reporting is the validity issue, with the accuracy of a self-report depending on many factors including an individual's motivation, perception, and ability to describe (Judd, Smith and Kidder, 1991). Kets de Vries et al. (2007) warn that family members, especially older generations, who protect the "myth of harmony" can interpret relationships in a positive manner by ignoring the reality of the situation through denial and idealization. In this myth, the outside world is perceived as a dangerous place, and the only thing that protects the family and the organization from this perilous environment is family harmony (Kets de Vries et al., 2007). To counter the deliberate idealization of the interactional outcomes, several measures were taken. First, participants during the interview were specifically asked to provide both positive and negative examples. The aim was to encourage participants to remember events, interactions and outcomes that could not be denied or idealized. Second, when possible, secondary sources of data and information were used to find examples that would have been difficult to deny or idealize. Finally and most importantly, the research was designed to collect data from multiple data sources. When possible, both the predecessor and the successor from the same family business were interviewed to compare and contrast interpretations of events and interactions. However, despite all attempts and assurances, some individuals might simply have been reluctant to report their feelings, beliefs, and personal family information openly to a total stranger. To manage participants' concerns about opening up to a stranger, several steps were taken. A local sponsor was found to support the research project; this became the first step to build a rapport with the participants to make them feel comfortable and motivated to participate. In addition, participants were clearly informed that their anonymity and data confidentiality would be protected, and that they could choose to withdraw their data from the research at any time before the thesis was completed.

Since all participants were from a single country (Turkey), this could be regarded as a limitation of generalizability. Although this research is not a cross-cultural study per se, it is important to consider the possible impact of societal culture on the findings with respect to participant actions, reactions and outcomes. The majority of studies on family businesses are based on North American samples. However, researchers are finding that even though succession is important for all family businesses, the process by which it happens differs from country to country. Howorth and Assaraf Ali (2001) assessed whether Anglo-American theories fit Portuguese family businesses. The authors found that although Portuguese family businesses suffered from resistance to the transfer of power, there was no significant conflict between the father and the son as most Anglo-American research predicts. Other international studies also reveal interesting insights. For example, in the Philippines, the succession process is organized and managed primarily with the aim of protecting relationships between the actors in order to guard themselves against the negative effects of succession (Andrea, 2000). In China, Confucian values give the incumbent more power in the succession process and prevent dissenting voices at all levels once a decision is made (Yan and Sorenson, 2006). In his cross-cultural study comparing a collectivist, paternalistic and patriarchal culture with an individualistic and merit-based culture, Kuratko (1993) found that family businesses operating in a country with a culture managed on a clan basis meant preserving family harmony was a priority, and that continued predecessor involvement with the organization was normal and expected. Considering that Turkey is a collectivist, paternalistic and patriarchal culture (Uskul, Hynie and Lalonde, 2004), this national cultural context could influence family businesses and their actors to accept predecessors' post-succession behavior with more understanding and to place higher emphasis on protecting relations rather than pursuing individual goals.

In addition, it is conceivable that the national context had some influence in shaping the research. For example, female participants and family businesses with prior multiple successions represent a small percentage in the general population (Alacaklıoglu, 2009); thus, attempts to find participants from these groups were hampered (i.e., only two female participants and none of the organizations had experienced a prior succession). In that organizational structures and family systems can also be influenced by societal culture (Gerhart, 2009; Young et al., 2008), the

patriarchal Turkish culture could be more consistent with more hierarchical relationships and interactions, both in family and business.

While the generalizability of findings may be a concern, it should be noted that the aim of this research was not to test theory or enumerate frequencies (statistical generalizations) but to expand and generalize theories (analytical generalization) (Chetty, 1996). The participants were not selected from a random population but theoretically identified; thus, the findings are generalizable within the theoretical conditions set by the research. In addition, collecting data from multiple family business cases (Chetty, 1996) and seeking theoretical saturation (Gibbert and Ruigrok, 2010) improves the emergent model's internal and construct validity.

Despite the above-mentioned limitations, this research provides valuable ideas for future studies. There are three major avenues along which future research could expand this model, testing it empirically, exploring different relational levels and examining the effects of other stakeholders. Empirical research is the next logical step for testing the inductively developed model to strengthen its internal and external validity. In order to achieve this, Likert-type or other continuous scales should be developed to measure predecessor involvement based on the three dimensions identified in this research and the significance of each factor that influences predecessors' involvement decisions should be measured. The current model can only identify which factors might be important, but it cannot definitively say if some are more important than the others or the nature of their interrelationships. Such empirical research would allow better opportunity to compare predecessor behaviors pre- and post-succession. It will also allow for comparing different predecessors in different contexts, providing the opportunity to explore what other factors might affect their choice of behavior. In respect to successors, future empirical research would help identify the nuances in successors' reactions to their predecessors' actions, such as measuring the nature (positive vs. negative) and intensity (low to high) of their reactions more accurately. Similarly, measuring the importance of each factor that influences successors' reactions will help determine their significance to the overall model. Larger sample sizes and additional statistical analysis tools will help strengthen the reliability and internal validity of the model.

Another future research avenue would be to examine whether the proposed relationships in this research hold for other types of organizations. Continued

predecessor involvement might be a common occurrence in family businesses, but it is not limited to these types of organizations. Studies show that continued predecessor involvement with the organization can and does happen in non-family business organizations whether they are for-profit or not-for-profit (Evans et al., 2010; Karlsson and Neilson, 2009; McKee and Driscoll, 2008; Quigley and Hambrick, 2012). The proposed model has the potential to shed light on the dynamics and effects of predecessor-successor interactions in non-family businesses, where predecessors and successors tend not to have a blood tie (i.e. they are not relatives). Thus, testing the propositions in non-family businesses using qualitative and or quantitative methodology can help the field to better understand the significance of "family essence" (Chua et al., 1999, p. 25) for differentiating family from non-family businesses. In addition, testing the emergent model among non-family businesses can strengthen and highlight the contributions family business research provides to the general executive succession field.

A growing number of family businesses are now handing over their top positions to successors who have no family connection to their predecessors. In some organizations this is happening in an attempt to professionalize the firm's management (Cromie, Dunn, Sproull and Chalmers, 2001), while in others, small family sizes are limiting the chances of finding qualified family member successors (Aldrich and Cliff, 2003; Bhappu, 2000; Zhang and Ma, 2008). Having professionals manage the family business means a separation between ownership and management that can create an interesting dynamic between the predecessor and the successor. For example, predecessors might not be able to rely on the successors to take care of the business as if they are stewards of it and with altruistic values, which could lead predecessors as principles to employ more control mechanisms over the agent, through frequent, direct and wide scope involvement (Astrachan, 2010). On the other hand, through formalization, professional successors can limit the predecessors' involvement and make decisions free from the concerns of family harmony (Sonfield and Lussier, 2009), thus preventing conflict from either family or business systems to negatively influence each other (Cromie et al., 2001). Hence, future research would be beneficial to examine and explore the post-succession interaction between a predecessor and a professional (i.e. non family) successor (Astrachan, 2010).

All of the interactions in this research were based on interactions in family businesses where there was a single predecessor and a successor; however, there are family businesses where the top management position is shared by two or more family members (Aronoff, 1998; Poza, Hanlon and Kishida, 2004; Nelton, 1998). This means there are firms with multiple predecessors and/or multiple successors. When it comes to top management team dynamics and politics in managing family businesses, further research is required (Jaw and Lin, 2009; Mazzarol, 2003). Further research can help explore if personal and contextual level factors that influence post-succession interactions operate similarly when dealing with a team rather than with an individual. For example, would predecessors be more willing to trust a team of successors rather than an individual or would they be more reluctant to relinquish their control because they fear that conflict at the new top management team can quickly and significantly hurt both the business and the family?

The emergent model can be further expanded by examining how other stakeholders fit into the succession transfer process. Succession might seem like a transition between two groups of people, incumbents and successors, but it attracts far wider attention from different stakeholders. Other stakeholders (e.g. mothers, spouses, other family members, non-family member employees, customers, suppliers) can significantly influence the dyadic interaction and/or be influenced by it. For example, mothers and/or spouses play a significant role during the succession process; they can influence the dyadic interpersonal relationships and organizational commitment levels (Danes and Olsen, 2003; Heinonen and Stenholm, 2011). For example, one predecessor indicated that in his own experience, nearly seven out of ten family businesses failed after the succession because these organizations did not take into account the needs and demands of the women in their families.

> "Many times men do not consider their wives when planning for the succession and afterwards. In my opinion and through my experience I can tell you that this is a big, big mistake. Women sacrifice as much as men for the family business and in return they build up their own expectations. If you do not plan to satisfy them or plan to deal with these demands, they will work in subtle ways to get what they want. I have witnessed it among my friends and clients many times, these subtle tactics do what termites do to wood. They eat the inside and one day the whole building collapses on top of you. ... I always tell my friends and clients, do not ignore your spouse's opinions. Let them speak their mind

so that you can be prepared for issues that might arise from their side."
(FB-19.P)

Further examining the influence and experiences of the female members of the family, whether they are directly involved with the business or not, would significantly help researchers better understand the true nature of relationships in the post-succession period and their impact on the organization. It would also help determine the significance of gender in the post-succession period. Dumas (1992, 1998) has shown that the gender of the successor and the predecessor matters prior to and during the succession process. In this research, since the participants were predominantly male (all of the predecessors and 88% of successors), gender did not emerge as a significant issue. Future research with mixed gender participants (both predecessors and successors) would help better determine the significance of this issue in the post-succession period. Another interesting and under-researched area of succession in family businesses is examining the influence of divorce. An increase in divorce rates among developed and developing nations (Aldrich and Cliff, 2003) is creating new challenges for family businesses. For example, splitting the assets after a divorce could lead to a context where former family members could influence the dyadic relationships with their own self-interested agenda.

Finally, future research studies could examine the impact of boards of directors, especially the impact independent directors have on the post-succession phase of the succession process. Previous studies indicate that independent boards can significantly and positively contribute to family businesses by initiating the succession process in a timely manner, selecting an appropriate successor and smoothing the transition from the incumbent to the successor (Wen, 2009). The model developed in this research can be used to propose that independent boards can be considered part of the contextual factors that influence predecessors' actions. Independent boards usually exist in organizations with high levels of formalization and this factor is negatively related to the predecessors' involvement levels (in all three dimensions). Independent boards of directors can also provide opportunities for successors to make their reactions visible and to gain support for themselves. However, since none of the family businesses in this

research had an independent board[4], future research could test these propositions in family businesses where there are independent boards.

5.5. Conclusion

The research started with a general inquiry to understand why "even when you take the old man out of the business, you cannot take the business out of the old man." Five general research questions were asked to explore, understand and explain this event, which appeared to be common in family businesses, especially when the predecessor was still present after the succession and able-bodied (physically and mentally). Answers to these research questions revealed that succession is a never-ending process in family businesses, and that as long as the predecessor is alive and able-bodied, they can continue to be a natural part of the organization through family, ownership, or management ties. It became clear that as long as contextual factors permitted, many predecessors believed that they had legitimate personal reasons to continue their involvement with the family business in varying frequencies, scopes, and leadership styles. On the other hand, for the successors, what really mattered was whether the predecessor acted the way they (the successor) wanted and whether their managerial control was challenged or complemented. It appeared that many successors actually appreciated their predecessors' continued involvement when it did not clash with their management role and provided them access to valuable resources such as experience, network connections, and saving time. The successors also cared about the courteousness and intentions underlying the continued involvement of their predecessor after the succession.

When predecessors and successors are able to manage their interactions satisfactorily, both can improve their interpersonal relationship with each other and the wellbeing of the organization. However, when predecessors and successors manage their interactions poorly, both interpersonal relationships and organizational wellbeing suffer. Thus, being prepared for post-succession interactions becomes significantly

[4] By law all had to have a board of directors, but all of them were filled with family members who were either actively working in the family business or were there only to fill a legal obligation and did not have any participation at all.

important. Preparation should start by understanding the underlying cause of why the predecessor might want to continue to be involved with the organization. Possible post-succession roles for the predecessor should be discussed before the transition in leadership. These roles should not be in competition with the successor for the same "leadership space." Formal and informal communication channels should be present and operational. A control or enforcement mechanism should also exist to ensure that both predecessors and successors follow through with what they have agreed upon. Finally, individuals and organizations need to recognize that the formalization level of the organization, economic circumstances of the country, and both local and family cultures influence the post-succession interaction conditions between predecessors and successors.

In conclusion, it appears that even after we take the old man out from the business, we cannot take the business out of the old man because the two are integrally intertwined. The family business becomes like the child of the predecessor, and no parent can be easily separated from his/her child. Thus, instead of trying to figure out how to separate predecessors from family businesses, it would be more beneficial to find suitable ways to manage their continued presence.

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Appendices

Appendix A.

Interview Questions Guideline

P: Questions asked to the predecessors

S: Questions asked to the successors

P & S 1. In your own words can you tell me the story of the company and your family's role in it? *(To probe for more information the points below were used)*

- Is the firm a proprietorship, partnership, or corporation? Can you tell me more about the share distribution (ex. Is there a person or group that owns controlling shares of the company)? Has it always been like this? *[IF NO]* When and why was it changed?

- How many employees currently work for the organization?

- When did you start working here *(ask only if they were not the founder)?* What position did you start at? Could you describe how your career in the company has progressed since then? [e.g. *positions held and in which parts of the company*]

- Have you worked at other organizations? Can you tell a bit more about your experience in other organizations (ex. when, for how long, and in what positions)?

P & S 2. How would you describe your succession experience? *(To probe for more information use the point below)*

- How did you prepare for it?

P&S 3. How would you describe your predecessor/successor? *(To probe for more information use the point below)*

- Can you provide specific examples?

P & S 4. How was life after the succession for you? *(To probe for more information use the point below)*

- Can you give specific examples?

P & S 5. Since the succession, what changes has the business gone through? *(To probe for more information use the point below)*

- How many of these changes were initiated by the predecessor/successor?

P 6. After the succession what role did you acquire? *(To probe for more information use the points below)*

- Why ?

- How would you describe your responsibilities?

- What does a typical day look like

- What do you like most about the role? Least about it?

- *If they indicated acquiring no new role they were asked*, Did you continue to be involved with the organization? Why?

S 6. After the succession what role did your predecessor acquire? *(To probe for more information use the points below)*

- Why do you think they took on or did not take role?

- How would you describe their responsibilities?

P & S 7. How would you describe your post-succession experience with your predecessor/successor? *(To probe for more information use the point below)*

- What do you like the most and the least? Why?

- Can you give examples from specific incidents?

P & S 8. What are your thoughts as to why the predecessor/successor behaved the way they did after the succession?

P & S 9. Overall how would you describe your relationship with your predecessor/successor? *(To probe for more information use the point below)*

- Why?

P & S 10. How would you describe the impact your situation with the predecessor/successor had on the family business? *(To probe for more information use the point below)*

- Can you give examples from specific incidents to support your perception?

P & S 11. How involved are the rest of the family in the organization? *(To probe for more information use the points below)*

- How many family members work in the organization and what are their positions?

- Which family members have a say in how the organization is run?

- From your perspective, what have been the positive aspects of this family/business structure? Are there any negative aspects? [*If Yes*] Could you please describe what these are? Are there any ways in which the current

family/business structure could be improved? [*If Yes]* what would these changes involve?

- Are there family members that have no formal authority or responsibility in the business but their opinions still matter? Who are these people and why do their opinions matter?

P & S 12. If you had to go through the whole process again what would have you done differently and why?

Demographics:

**P & S 13**. Current Age of the predecessor and the successor

P & S 14. Gender of the predecessor and the successor

P & S 15. Education [highest level attained and area of study] of the predecessor and the successor

P & S 16. Which generation were you when you were at the helm of the organization *(this question will be asked only if it is not known beforehand or cannot be easily obtained during or after the interview)*

Appendix B.

Map of Turkey
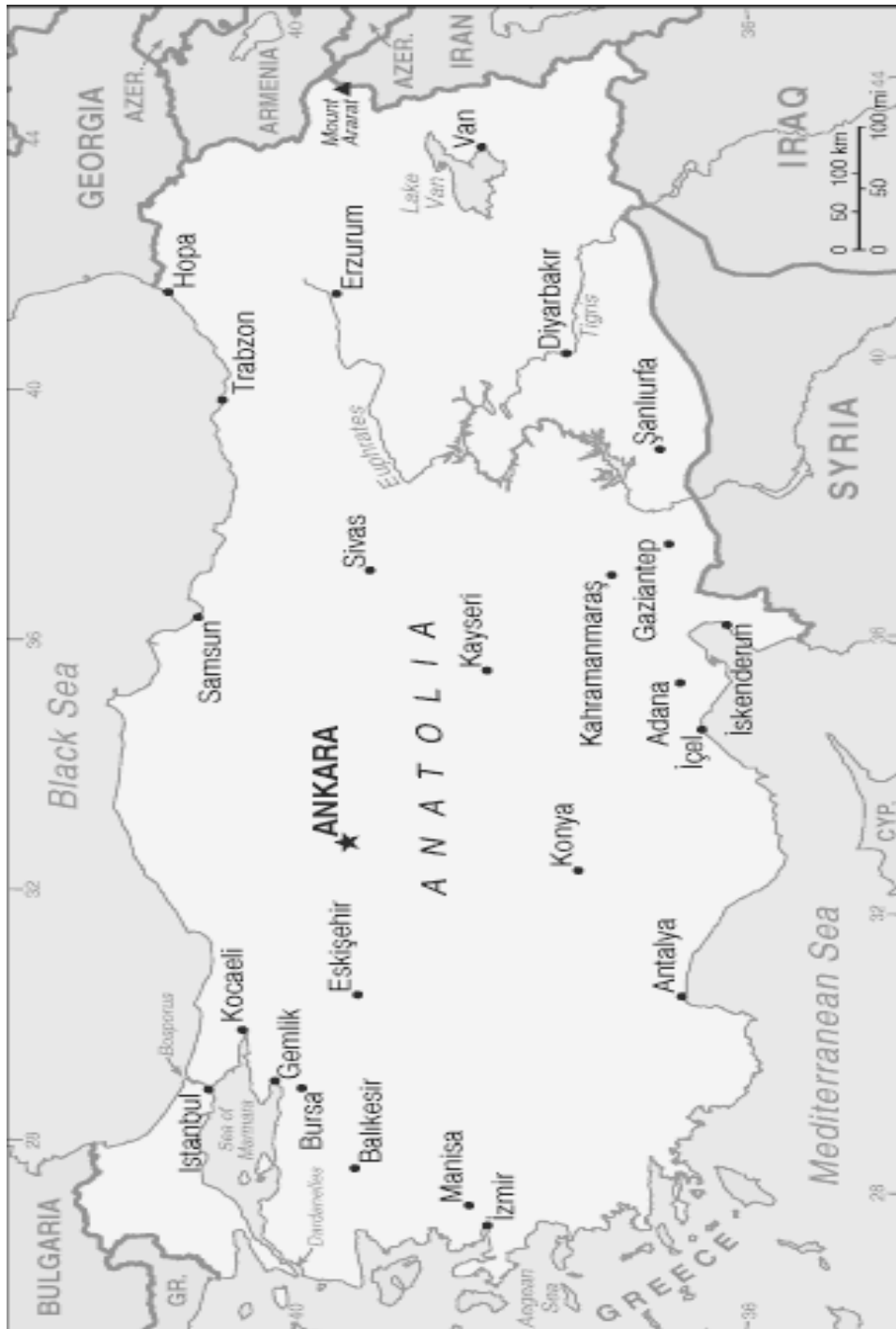
Appendix C.

Letter of Consent

Title: CONTINUED PREDECESSOR INVOLVEMENT WITHIN FAMILY BUSINESSES AND ITS INFLUENCE ON RELATIONS AND ORGANIZATIONAL VISSION

Investigator Name: Sinan Caykoylu

Investigator Contact Info█████████████████

██████████████████

██████████

██████████

Institution: Simon Fraser University

    Faculty of Business

The University and I, who is conducting this research study, subscribe to the ethical conduct of research and to the protection at all times of the interests, comfort, and safety of participants. This research is being conducted under permission of the Simon Fraser Research Ethics Board. The chief concern of the Board is for the health, safety and psychological well-being of research participants. Should you wish to obtain information about your rights as a participant in research, or about the responsibilities of researchers, or if you have any questions, concerns or complaints about the manner in which you were treated in this study, please contact the Director, Office of Research Ethics by email at █████████████ or phone at █████████████ Your signature on this form will signify that the researcher has read you the procedures, possible risks, and benefits of this research study, gave you a photocopy of this document, that you had an adequate opportunity to consider the information describing the study, and that you voluntarily agree to participate in the study. Any information that is obtained during this study will be kept confidential to the full extent permitted by the law. Knowledge of your identity is not required. You will not be required to write your name or any other identifying information on research materials. Materials will be maintained in a secure location.

Having been asked to participate in the research study named above, I certify that I have read the procedures specified in the Study Information Document describing the study. I understand the procedures to be used in this study and the personal risks to me in taking part in the study as described below:

Risks to the participant, third parties or society: None (no foreseeable risk to the participant, third parties or society.)

Benefits of study to the development of new knowledge: Is to better understand family businesses governance and help develop practical recommendations for managing this critical transition in executive control in these organizations.

Procedures: Interviewing participants about their succession experiences.

I understand that I may withdraw my participation at any time. I also understand that I may register any complaint with the Director of the Office of Research Ethics named above. I may obtain copies of the results of this study, upon its completion by contacting *Sinan Caykoylu (the researcher).* I have been informed that the research will be confidential. I understand the risks and contributions of my participation in this study and agree to participate.

Participants Last Name: _____   Participants First Name: _____

Participant Contact Info: _____

                        _____

Participants Signature:_____   Date:_____