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***PASSING THE SPEAR: A GROUNDED THEORY
STUDY OF THE INFLUENCE OF FAMILY
BUSINESS VALUE SETS ON SUCCESSION
PLANNING IN BLACK FAMILY-OWNED
BUSINESSES.***

By

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ABSTRACT

Literature suggests that a small number of family businesses are able to make the transition from the founder to other family members with a common reason cited being the lack of planning. This study aims to build understanding of leadership succession in family businesses by focusing on the influence of a founder's family business value set on the succession planning process in Black family-owned businesses. Using the Strauss and Corbin (1990) grounded theory method, this study develops a theory of succession planning of Black family-owned businesses labelled *Passing the Spear* which is comprised of three stages based on an analysis of 21 qualitative interviews. The *Spear* was an analogy used to represent both the values of the founder and the family business, thus in *Passing the Spear*, founders were essentially performing a dual transfer of their values and leadership to the successor. The implementation of the process *Passing the Spear* was influenced by the family business value set of the founder, which in this study, were labelled as *Traditional*, *Progressive*, and *Transitional*. These value sets were distinguished by their behaviour regarding their choice of successor where founders with a traditional value set exhibited *gatekeeping* behaviour, while the behaviour of founders with a progressive value set was labelled *navigating*, and finally, founders with a transitional value set demonstrated behaviour labelled *exploring*. Furthermore, it was found that after the successor had been chosen, founders appeared to follow a generic succession planning process, however, the ease and timing of implementation was influenced by the family business context, evidence of being proactive and the degree of family business resilience.

The process of *Passing the Spear* comprised of three stages of (a) *Showing the spear* where the founder's focus is on the induction and socialization of the successor using the strategies of bringing the successor into the family business and managing the family-business interface using relationships; (b) *Explaining the spear* entailed founders using the strategies of sharing knowledge and teaching the successors about the family business; and (c) *Sharing the spear* was where founders focused on empowering the successors by implementing strategies of sharing responsibilities and learning from the successor.

The process provides insights into the influence of family business values on the succession planning process and can be useful for founders of Black family-owned businesses in planning for succession in their businesses. In addition, the study provides another perspective of succession planning and offers a contribution to the literature for understanding succession in Black family-owned businesses.

DEDICATION

I dedicate this thesis to firstly, to you my parents, Stanford and Violah, who throughout my education life have always given me the opportunity to be myself and follow my dreams. I know that there were times when we would be at wits end regarding if I should continue studying or join the 'real world', I am grateful that you had the patience and belief to let me continue with my studies. I do believe that the greatest gift you ever gave me was your love and for that, I say thank you.

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CHAPTER ONE

THE CONTEXT OF THE STUDY

1.1 INTRODUCTION

The purpose of this study was to develop a grounded theory about the influence of founders' family business value sets on the succession planning process in Black family-owned businesses. Family businesses are increasingly being recognized as a driver and contributor to economic growth (Maas, Venter & Maas, 2003, p. 1; Ibrahim, Soufani & Lam, 1996, p. 245), with family businesses consistently representing the majority of firms in countries. For example, family businesses contribute 66 percent of Germany's gross domestic product and employ 75 percent of the labour force; in Great Britain, family businesses account for 50 percent of employment while in India, statistics indicate that family business account for 70 percent of total sales and net profits (Chami, 2001, p. 3). In South Africa, Balshaw (2003, in Venter & Kruger, p. 1) estimates that at least 84 percent of all businesses in the formal sector are family-owned.

Donnelley (1964, pp. 97-103) outlines some advantages associated with family enterprises including, the availability of resources from family members, good community standing because of valuable reputation, dedication and loyalty from employees, reduced agency costs, and continuity of the business within the family. However, the challenges facing family businesses are complex because of the overlap between the family system and business system. This complex overlap between the family, the business entity, and ownership is influenced by internal factors, such as tradition, culture, religion, and succession as well as external factors such as inheritance laws, estate laws, and market competition (Chami, 2001, p. 4).

Within the South African context, Black-owned enterprises are recognized as important residual employers, which may improve the social welfare and alleviate poverty of its citizens (Rogerson, 1997). However, before 1994, South Africa's legislation restricted the establishment and development of Black enterprises (Riley, 1993, p. 5), thus limiting their economic and social contribution to the country. With

the advent of democracy, there has been a conscious effort to increase the level of participation of Black South Africans in the country's economy through a variety of initiatives and support structures. To date, studies focusing on Black-owned small enterprises have primarily focused on the profile/characteristics of Black entrepreneurs (Orford, Wood, Fischer, Herrington & Segal, 2003; Ntsika, 2002; Riley, 1993); finance-related issues (Orford *et al.*, 2003; Ntsika, 2002); difficulties facing Black entrepreneurs (Cant & Brink, 1999); and success factors (Sawaya, 1995). Few studies with a focus on Black family-owned businesses in South Africa have been conducted. Hence, this study is important as it contributes to the development of literature about Black family-owned businesses. In particular, this study focuses on developing a theory about the influence of family business value sets on the succession planning process of Black family-owned businesses.

This chapter focuses on, firstly, defining family business in general followed by defining Black family-owned business. Secondly, an outline of the research problem, the study's purpose and research questions and a brief discussion of the methodology adopted for this study are presented. The chapter progresses to discuss the significance of the study, the delimitations of the study, and culminates with an overview of the structure of the thesis.

1.2 DEFINING FAMILY BUSINESS: A DEFINITIONAL CONUNDRUM

Kepner (1991, p. 446) notes with concern that family business literature and hence family business definitions, predominately focus on the business system although literature recognizes the influence of family dynamics on family firm functioning. Thus, Dyer (2003, p. 401) and Machado (2004, p. 1) share a similar view that in defining the family business, it is imperative to understand the family, as it is from the family that a family business can emerge. However, given the prominence and contribution of family businesses to economies (Basu, 2004, p. 12; Birley, Ng & Godfrey, 1999, p. 598; Kaslow, 1993, p. 3), researchers and other interested parties are unable to reach a consensus on a definition (Lindsay & McStay, 2004, p. 1; Sharma, 2004, p. 3; Venter & Kruger, 2004, p. 2; Haugh & McKee, 2003, p. 142).

Chua, Chrisman and Sharma (1999, p. 23) believe that to progress in developing a theoretical base in any field, a definition of the concept must be provided. Thus, it would follow that for a theory of family business and related issues, for example, theories of family business succession, family business culture, and family business functioning to develop; there must be a definition of a family business.

Using existing definitions on family business in the literature, I was able to classify family business definitions into four main categories based on the approach used by researchers. These categories emerged from the observation that researchers appeared to define the family business according to the context of the research, the phenomena under study, research objectives and methodology, and access to a sample. The four main categories, which emerged from existing definitions, include characteristics/criteria based definitions, resource-based definitions, definitions highlighting differences between family business and non-family business, and typological definitions. Each of the categories of family business definitions are presented and discussed in the following sections.

1.2.1 Characteristics/criteria-based definitions

Researchers who adopt the characteristics/criteria-based approach to defining family business use family business characteristics as the basis of the definition to formulate operational definitions. Studies using this approach define family business using one or more characteristic/criterion, which include for example, extent of ownership and control, the presence and involvement of the family in the management of the business, and the founder's desire for generation-to-generation continuance (see for example, Degadt, 2003; Neubauer & Lank, 1998). For example, in a study to identify strategies that families can adopt to increase the success of both the family and business, Olson, Zuiker, Danes, Stafford, Heck and Duncan (2003, p. 640) defined a family business as follows:

A family business is a business that [is] owned and managed by one or more members of a household of two or more people related by blood, marriage or adoption.

However, Chua *et al.* (1999, pp. 22-23) argue that researchers using this definitional approach have difficulty in making characteristics or criteria precise. Hence, this approach often leads to researchers opting to follow a narrow or broader definition of what constitutes a family business. For example, a narrow definition of family business may regard the ownership aspect to be critical; hence, a majority stake holding of 51 percent would constitute a family business, while a broader definition may only require a lesser ownership stake. Consequently, the benefit of operational convenience is undermined by the disadvantage of definitions being theoretically unsatisfactory because questions arise about what type of firm considers itself a family business (Chua *et al.*, 1999, p. 23). To overcome this shortcoming, Astrachan, Klein and Smyrnios (2002, p. 47) developed the F-PEC, a valid instrument that measures the characteristic of family involvement using a continuous scale rather than a dichotomous scale. The F-PEC incorporates three subscales of power (extent of ownership, governance, and management involvement), experience (family member involvement), and culture (family and business values overlap), which can be used to measure the impact of family influence on success, strategy and operations. Thus, the focus becomes the extent of family influence rather than focusing on whether a business is a family business or not (Astrachan *et al.*, 1999, p. 47) based on arbitrarily selected characteristics.

1.2.2 Resource-based definitions

Resource-based definitions of family business attempt to overcome the shortcoming identified with the characteristics- or criteria-oriented approach. Advocates of resource-based definitions (see for example, Chua *et al.*, 1999) argue the major shortcoming of the characteristics/criteria-oriented definitional approach is its inability to account for enterprises defined by owners as family business despite meeting none of the characteristics or criteria used to define family business. Chua *et al.* (1999, p. 25) provide an example of a resource-based definition of family business; they define a family business as follows:

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.

The resource-based approach adopts a strategic view of family business and extends characteristics/criteria definitions by focusing on intentions, vision, and culture to arrive at a definition (Chua *et al.*, 1999, pp. 24-25). Campbell and Heriot (2004, p. 1) support the use of a resource-based definition approach because they posit that such definitions are both theoretical and empirical in nature because they do not rely on the use of arbitrarily chosen family business characteristics.

1.2.3 Definitions based on differences between family business and non-family business

An extension to the characteristics/criteria-based definitional approach is that of defining family business by focusing on the differences between family businesses and non-family businesses along several dimensions. Chua, Chrisman and Steier (2003, p. 332) use family involvement as a dimension to differentiate a family business from a non-family business. They (Chua, Chrisman & Steier, 2003, p. 332) suggest that this dimension is key to the sustainability of the family business because both the family and the business need to create value for the other. However, family business literature indicates that about 70 percent of family businesses fail to move to the second generation with at least 90 percent failing to move to the third generation (Kets de Vries, 1993, in Shepherd & Zacharakis, 2000, p. 25).

Chami (2001, p. 4) addresses how family businesses differ from non-family businesses within the context of microeconomic theory of the family and agency theory. He (Chami, 2001, p. 5) argues that the family business is different from a non-family business in terms of the level of trust among family members. Chami (2001, p. 5) suggests that the level of trust experienced by family businesses translates into a source of competitive advantage over non-family businesses because trust reduces the agency problem. Consequently, the family business is likely to minimize agency costs associated with the goal of maximizing shareholder wealth in non-family businesses

(Chua *et al.*, 2003, p. 332; London Economics, 2002, p. 9).

London Economics (2002, pp. 10-14) found in its research that firstly, family businesses are more efficient because of flatter management structures and centralized decision-making compared to non-family businesses. Secondly, management strategies result in customer commitment and trust because employees are motivated and loyal because of the family-oriented working environment. Thirdly, family businesses use longer-term periods regarding strategic issues than non-family businesses. This is likely to be driven by the desire of the founder to ensure that the business can be handed to the next generation. The final difference relates to the recruitment practices of family businesses where family members usually form the bulk of employees thereby reducing the recruitment and human resources costs compared to non-family businesses. However, this practice may be potentially damaging for the business if family members lack the qualifications and competence required for the positions.

1.2.4 Typological definitions

The typological approach to defining a family business acknowledges the complexity of finding a precise definition. Reid, Dunn, Cromie and Adams (1998, p. 55) argue that definitions focusing on the differences between family businesses and non-family businesses although useful, are limited given that family businesses are diverse. The typological approach contributes to the definitional debate by suggesting that a typology of family business is more realistic as it represents the different forms that a family business may take.

Several typologies focusing on different aspects of family businesses can be located in the literature. For example, Birley *et al.* (1999, pp. 603-605) conducted a study which focused on assessing owner-managers' perceptions on the role of the family in the family business. Using cluster analysis, three different types of family business were identified, which include the family-business jugglers, family rules group, and family out-group. The *family-business jugglers* do not have any strong views on the role of the family and are more concerned with achieving a balance between the two. Family-

business jugglers do not believe that children need be involved in the business from an early age or that their education should be geared towards the needs of the business. Given the desire to balance the two systems, this group feels that successors should not be limited to family members only nor should all family members be guaranteed a job. In contrast, the *family rules group* stresses the importance of involving children in the business from an early age with successors chosen within the family but only employed family members are entitled to an income from the business. This group also believes that the higher the level of involvement by the family, the stronger the business. The *family out-group* does not believe that mothers and mother-in-laws should be involved in the business and that children should be given shares at an early age nor necessarily have equal allocation of shares between them.

In another study, Litz (1995) developed a typology of family business using two conceptual approaches namely the structured-based approach, which focused on organizational dimensions of ownership and management and the second approach, which focused on the intraorganizational aspirations. The integration of these two approaches resulted in a four-cell typology of different forms that family business might take based on the premise that family involvement follows a continuum rather than a rigid classification of firms being familial or non-familial (Litz & Stewart, 2000, p. 132). One type of family business is the *potential family business* where there is unrealized intraorganizational family-based relatedness. The second type is the *family business*, which is characterized by the owner aiming to include family in both ownership and management. The *potential non-family business* is the third type, which involves family in ownership and management, but there is no intention to continue such involvement. Finally, the *non-family business* has neither the intent nor the realization of including family in ownership or management of the business.

Basu (2004) conducted a qualitative study of 60 family business founders from different Asian ethnic backgrounds where founders were interviewed about their aspirations and aims. From the findings, Basu (2004, pp. 18-19) classified family business owners into four categories. The first category includes *business-first entrepreneurs* who are concerned with the growth and survival of the business. The second category are *family-first entrepreneurs* who primarily pursue the goal of

involving and working with family members in the business, while *money-first entrepreneurs*, the third category, aspire to generate more wealth for the family. The final category, *lifestyle-first entrepreneurs* strive to live comfortably and attain social status in the community through the family business. These types of family business according to Basu (2004, p. 15) arise because of the aspirations, strategies, and values of the founder and as such, founders are likely to influence the development of the business.

The discussion thus far has presented a general debate that reflects the complexity of defining the family business regardless of race; however, given the focus of this study, it is imperative to define a Black family-owned business.

1.3 DEFINING BLACK FAMILY-OWNED BUSINESSES

Dyer (2003, p. 412) suggests that family business definitions should include both subjective and objective components to allow for variety in the meaning respondents attach to the term family business. Stewart (2003, p. 388) and Peredo (2003, p. 397) observe that kinship literature could advance the family business field because it provides a definition of kin – a critical theoretical construct needed to study family businesses. Thus, it appears that definitions of Black family-owned businesses would need to include kin in the definition because of the importance attached to the family (see for example, Togni, 1996).

Family is an important aspect of the African culture and Togni (1996, p. 23) adds, “the family is the most universal of all social institutions...and is the basis of all human society.” Although research by Gittens (1993) indicates that the family as an institution is experiencing changes, the dominant family structure types are the nuclear family and the extended family. The *nuclear family* structure consists of a couple and their children while the *extended family* structure includes one or more relatives who live with the couple and their children (Kayongo-Male & Onyango, 1984, pp. 11-12; Goode, 1964, p. 45). Togni (1996, p. 25) highlights that some sociologists attribute family structure differences to prevailing economic conditions. Thus, if conditions are harsh, the family group will extend to include members outside

the family's immediate nuclear family (Togni, 1996, p. 25). The extended family structure is considered a more sustainable family structure than the nuclear family structure in the long term (Nzimande, 1987, p. 33) because of its ability to accommodate and provide social welfare resources to family members.

A common feature of the Black family is the existence of the extended family (Kayongo-Male & Onyango, 1984, p. 12; Goode, 1964, p. 45), thus kinship literature might be useful in understanding the Black family (Oppong, 1992, p. 82; Peredo, 2003, p. 397). Kessing (1975, p. 13) defines kinship as the "network of relationships created by genealogical connections, and social ties..." where such networks are created to define the individual's place in their society. The extended family structure, according to Nzimande (1987, p. 32) is "based on rules governing the kinship structure in a society, which make it possible for certain categories of people to live together and regard one another as family members." Such rules, according to Mbiti (1969, p. 104) include controlling social relations between people, governing marital customs, and determining one's behaviour towards others in the social network.

Although research on what makes a Black South African family is inconclusive, Le Roux (1998, p. 96) states that there is agreement among researchers that the Western nuclear family is not perceived as the norm in the South African context. African families in South Africa include a wide informal network of kin and community in their definition of family (Amoateng, 2004; Nzimande, 1987, p. 31; Mbiti, 1969, p. 104) despite modernization and urbanization (Amoateng, 2004; Sagner and Mtati, 1999, p. 401; Le Roux, 1998, p. 102). However, Nzimande (1987, p. 28) and later Togni (1996, p. 26) caution that the Black family in South Africa should be examined in both the rural and urban contexts to assess its structure and role because there are some differences. In support of this assertion, Sagner and Mtati (1999, p. 401) argue that kinship in the urban areas of South Africa is conditional compared to the rural setting. Oppong (1992, p. 75) attributes this to differences of moral obligations to kin based on blood or marriage relations while Nzimande (1987, p. 28), attributes the differences to changes in the social structures.

Radcliffe-Brown (1950, p. 12) distinguishes between the obligations of kinship to obligations of a contractual nature where in the former, obligations are involuntary

and normally continue throughout one's life and in the case of the latter, obligations are voluntary and once met, the relationship can be terminated by the parties involved. A study by Nzimande (1987) provided examples of kinship obligations among the Zulu people in South Africa. Support included support of a widowed woman and her children, support of the 'nuclear' family (where the male spouse becomes incapacitated, or the family becomes needy), support and protection of the aged and the aged infirm, and spiritual and emotional support during adversity.

The extended family structure is not without its challenges. Goode (1964, pp. 52-55) suggests that a lack of leadership from the head of the family (usually a man) may arise because of the inner dynamics of the extended family and traditional rules. Inner dynamics of the extended family include, firstly, the number and kinds of social relations found in the family and secondly, the rules that specify the nature of interaction between these individuals. However, in support of Kayongo-Male and Onyango (1984, p. 6), Oppong (1992, p. 75) argues that kin provide a foundation for economic cooperation even during uncertain times thus providing "an ideal basis for long-term planning in a potential precarious and changing environment."

To this end, several definitions that include kin can be found in family business literature. For example, although the ethnic profile of the family businesses in the study by Olson *et al.* (2003, p. 640) is unclear, they define a family business as one that is "owned and managed by one or more members of a household or two or more people related by blood, marriage or adoption." Tagiuri and Davis (1996, p. 199) introduce the concept of extended family and kinship in their definition and define family business as:

Organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights.

The kin-based definitions of family enterprises presented by Peredo (2003, pp. 397-400), which include blood and marriage, spiritual, and community appear to be useful for defining Black family-owned businesses, given the importance attached to family and kin-based obligations. *Blood and marriage kin-based businesses* enjoy the

benefits of having access to capital and non-financial resources from the wide network of family members, lower employee turnover, cohesion, and social capital. In this type of enterprise, family members from both the husband and the wife are considered as part of the business and as such, business owners try to balance family needs and business needs. In contrast, *spiritual kin-based business* rituals, such as social, cultural, and religious ceremonies form the basis of affiliation to the family business. The enterprise's ability to expand its social relations by including members beyond immediate kin is a critical strategy in the formation of small businesses in the informal sector. On the other hand, *community-based enterprises* are found in communities where there are large groups of families connected together by clan, history, ancestry, and shared culture. The kinship system plays a critical role in the operations and continuity of the family business beyond the founding generation.

Drawing from these definitions and literature on kinship, a definition provided by Harris (1995) was considered appropriate and relevant as a starting point for this study. Harris (1995, p. 169) defines Black family-owned businesses as "those concerns owned and managed by people related by blood and/or marriage;" a definition similar to that presented by Peredo (2003) who defines family business in terms of blood and marriage kin-based. However, adopting definitions provided by Peredo (2003) for example, appeared to be restrictive in that I believed that I would need to identify Black family-owned businesses that met the definition criteria. Thus, given the limited research on Black family-owned businesses in South Africa, I did not want to be restricted when it came to identifying potential Black family-owned businesses for the study. Hence, the definition presented by Harris (1995), I believed would provide the operational definition flexibility and theoretical rigour required for this study and in addition, the definition embraced the features of the Black family as described by kinship literature presented earlier.

1.4 THE RESEARCH PROBLEM

The focus on family business succession, be it in terms of the planning, process and management, dominates at least a third of family business literature; however, Sharma, Chrisman & Chua (2003, p. 1) observe the lack of a theory of succession

and/or succession planning in the family business. Thus, while family business research on succession and/or succession planning in South Africa is increasing (see for example, Venter, 2003, Dickinson, 2000; Morris, Williams & Nel, 1996; Laubscher, 1993), the literature is limited regarding succession planning in Black family-owned businesses despite the intimation that Black-owned enterprises could play a major role in improving the economy. Furthermore, studies are often quantitative and while for example, a recent comprehensive study by Venter (2003) is useful; such studies do not provide explanations of how succession planning occurs within specific ethnic groups.

Thus, while research in the field of family business is growing, characterized by a multi-disciplinary interest from researchers, literature on family business within a South African context is in its early stages. Nonetheless, Maas *et al.* (2003, pp. 5-6) identify South African researchers who have made significant family business research contributions in the areas of succession (Venter, 2003; Dickinson, 2000; Morris, Williams & Nel, 1996; Laubscher, 1993); strategic management (Van der Merwe, 1999; Meyer, 1994); family business management (Maas *et al.*, 2003; Maas, 1999; Handelsman, 1996); and forms of business (Hugo, 1996).

However, Dyer (1988, p. 37) suggests that culture plays an important role in determining the continuity of the family business beyond the founder. This finding is important as research indicates, both globally and in the South African context, that less than 30 percent of family firms progress to the second generation (see for example, Birley *et al.*, 1999; Kaslow, 1999). However, Ainsworth and Cox (2003, p. 1465) note that the study of culture in the family business context is limited. Moreover, Le Breton-Miller, Miller and Steier (2004) argue that further research focusing on culture and social norms is needed as these issues may contribute to successful succession and succession planning in the family business. Dyer (1986, p. 13) defines family business culture in terms of basic assumptions, artefacts, perspectives and values that influence behaviour and while his study for example, presents different types of family business culture, there are few studies that have explicitly focused on how each of these aspects of family business culture influence succession planning within a specific ethnic context.

Thus, it is against this background that a study, which focuses on the influence of a founder's family business value set on the succession planning in Black family-owned businesses, would contribute toward family business research within the South African context and to broader succession planning literature.

1.5 PURPOSE OF THE STUDY AND RESEARCH QUESTIONS

Smyrnios, Tanewski and Romano (1998, p. 50) note that in general, extant family business research has "led to an insubstantial body of theory to guide future research, suggesting that the literature clearly lacks theoretical and empirical integration." A view supported by Chua *et al.* (2003, p. 336) who observe, "the field of family business lacks a theoretical foundation from which one can develop and test inferences and organize knowledge." Thus, Sharma (2004, p. 2) advocates for theory development by family business researchers interested in gaining new perspectives and knowledge about observed phenomenon. While there is substantial literature about the phenomenon of management succession planning in the family business, the purpose of this study, however, was to develop a substantive theory about the influence of a founder's family business value set on the succession planning process in Black family-owned businesses using the grounded theory methodology. Thus, the main research question guiding the study was:

"How do family business value sets influence the succession planning process in Black family-owned businesses?"

However, to be able to answer the main research question, secondary questions that were also addressed included, (a) What are the major types of founder value sets found in Black family-owned businesses; (b) What is the main process by which founders plan for succession; and (c) When, how, and why do value sets types influence the identified process?

1.6 RATIONALE FOR ADOPTING A QUALITATIVE APPROACH IN THE STUDY

Although the aim of both qualitative and quantitative research is to get the individual's point of view, qualitative research provides the researcher with an opportunity to obtain a richer understanding of the phenomena compared to quantitative researchers (Denzin & Lincoln, 1994, p. 5). It is this very same reason that some quantitative researchers argue that qualitative research results in empirical evidence that is "unreliable, impressionistic, and not objective" (Denzin & Lincoln, 1994, p. 5). However, Partington (2000, p. 93) contends the likelihood of finding well-developed theoretical frameworks in cross-disciplinary research; a situation I had anticipated given the nature of family business and that management as a discipline is by nature multi-disciplinary. Furthermore, given the stated main research question and sub-questions, I believed that a qualitative approach would be more appropriate to follow in addressing the research questions given the limited literature about the phenomena under study.

1.6.1 Rationale for selecting the Strauss and Corbin (1990) ground theory method for this study

The research problem highlighted that there was limited research on Black family business and family business values within that context. Therefore, to achieve the purpose of the study and answer the research questions of the study, the Strauss and Corbin (1990) grounded theory method was adopted to conduct the research given its constructivist philosophy underpinnings. The methodology was selected because it had the capacity to allow me to enter the world of the research participants and together, develop an understanding of the phenomena under study. In addition, the methodology would enable me to explore the phenomena – Black family-owned businesses and their family business values area more purposefully as there was limited data and literature available about the phenomena of interest. Strauss and Corbin (1990, p. 24) define grounded theory methodology as a "qualitative research

method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon.”

Henning *et al.* (2004, p. 47) comment on how “grounded theory studies have become one of the hallmarks of contemporary qualitative research,” adding that the value of the method is that it is data driven and not theory driven. Furthermore, Baker (2002, p. 178) notes that the grounded theory method has begun to be used in a number of different fields, including “business and management research.” Thus, the grounded theory method is flexible in that it may be used to extend existing knowledge but from a different perspective (Strauss and Corbin, 1990) or to develop a new theory about a phenomenon “where pre-existing theories are often hard to come by” (Robson, 2002, p. 190). Baker (2002, p. 177) distinguishes grounded theory from other research methods by highlighting how “the grounded theory approach to analysis seeks to tease out and define underlying relationships through an inductive and intuitive interpretation of the data.”

Thus, the grounded theory method was considered appropriate for this study because the aim of the study was to generate a theory that was context-specific (Robson, 2002, p. 190; Creswell, 1998, p. 56). Therefore as discussed earlier, the purpose of this study was to generate a theory that would describe the influence of a founder’s family business value set on the succession planning process in Black family-owned businesses and such a theory would be grounded in the data collected during the study (see Chapter Three for detailed discussion of the method).

1.7 SIGNIFICANCE OF THE STUDY

By answering the main research problem and sub-problems, the significance of this study was to contribute to the development of family business theory and in particular, the generation of a theory that explains the influence of family business values on the succession planning process within Black family-owned businesses. I believe the theory can, firstly, assist Black family business owners develop an understanding of the critical role of family business values for family business management with regards succession planning. In addition, the theory offers strategies

that founders can consider in planning for succession during different stages of preparing for the transition. Furthermore, the study contributes to the field of family business in that it has the potential to begin to provide other researchers with a theoretical foundation to conduct further research. This is because the study contributes to the field of family business from a methodological perspective because by making use of the grounded theory method, a substantive theory was developed upon which further empirical research can be conducted. Finally, an inquiry into Black family-owned businesses can begin to provide some insights into how these firms prepare for succession and invite research into other aspects of the Black family-owned business in the South African context. Such further research has the potential to influence policy development within South Africa's small business, family business, and entrepreneurship development context.

1.8 DELIMITING THE STUDY

This study will be limited to studying formally registered Black family-owned businesses who meet the definition of Black family-owned businesses presented earlier. Furthermore, given that the purpose of the study is to develop a theory of succession planning, the study is limited to studying enterprises that have not undergone succession. Although, succession planning has two broad concerns – management succession planning and ownership succession planning, the focus in this study will be limited to management succession planning, which in this study, is defined as the transfer of leadership between the founder and the successor. The decision to focus on management succession planning was influenced by the recognition that succession planning is complex, thus an attempt to focus on the phenomenon in its entirety may have led to a superficial understanding of succession planning.

1.9 STRUCTURE OF THE THESIS

Chapter One is the Introductory chapter, which has provided a detailed context of the study by presenting a definitional debate regarding family business and a discussion on defining Black family-owned businesses. A definition by Harris (1995) of Black

family-owned businesses was adopted for this study. The problem statement, purpose of study and research questions, brief outline of the methodology adopted for the study, and scope of the study were presented in this chapter together with an outline of the structure of the thesis.

Chapter Two will review the related literature chapter to the phenomenon being studied. The literature begins by reviewing values within the context of culture at a national, family, and organizational level followed by an overview of succession and succession planning in the family business context. It must be noted that the literature review is not extensive because of the nature of research methodology adopted for this study. The methodology advocates that the literature review be kept to a minimum to avoid being influenced by existing literature in the development of a theory.

Chapter Three focuses on the research methodology adopted for this study, which was the Strauss and Corbin (1990) grounded theory method. The chapter begins by addressing issues and considerations when researching family business followed and within an African context. The chapter progresses to provide an overview of the qualitative paradigm followed by a discussion of the grounded theory method. A justification of adopting the methodology is presented in the chapter and this seeks to unite the issues and considerations raised in the discussions on researching family business and researching in an African context. The chapter proceeds to focus on the research process that was followed in the study and concludes by discussing how quality of the research can be judged within the qualitative paradigm and in particular, the Strauss and Corbin (1990) grounded theory method.

The findings are presented in three chapters, where Chapter Four is a description of the value sets that emerged from the research, namely the traditional value set, progressive value set, and the transitional value set. Chapter Five focuses on presenting the key categories of context, resilience and being proactive, which form an integral part in the development of the theory. The emergent theory, *Passing the Spear* is presented in Chapter Six and is a theory about the succession planning process in Black family-owned businesses.

Chapter Seven is the discussion chapter. The discussion focuses on how the findings of the study and in particular, how the theory developed in this study is related to extant literature. The discussion explains the theory of *Passing the Spear* using extant literature on succession planning and theories of planned change and values. Furthermore, each stage of the identified theory is explained in relation to relevant literature, highlighting areas of similarities and differences between the theory developed in this study with extant literature.

The final chapter, Chapter Eight is the conclusion chapter. The chapter highlights the significant findings of the study, which include the classification of the founder's family business values into three categories – *traditional*, *progressive*, and *transitional*, as distinguished by the founder's choice of successor. The implications of the research for researchers, practitioners, and Black family-owned businesses are discussed. In addition, areas for further research, which include for example, the need to test the theory on a larger sample that is culturally sensitive are highlighted. The limitations of the studying including sample size, data collection instruments, sampling method are presented together with methods by which the researcher used to minimize their impact on the study. The chapter culminates with a brief reflection on the use of the Strauss and Corbin (1990) grounded theory method for this study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

The use of literature in a study is guided by the requirements of the methodology (Creswell, 1998, p. 179). The purpose of a grounded theory methodology is to generate a theory that is grounded in data; thus, the literature review conducted in the initial stages of the research is limited (Strauss & Corbin, 1990, p. 49). The underlying reason for this is that the researcher does not want to be constrained by the literature to the extent that the research ends up verifying existing theory or literature rather than generating a theory (Strauss & Corbin, 1990, p. 49). Creswell (1998, p. 179) expands on this point, highlighting that the purpose of the literature review in a grounded theory study is to show the gaps in the existing literature. Strauss and Corbin (1990, p. 35) do encourage a preliminary literature review because it can stimulate research where after reviewing the literature, the areas needing further research can be identified and/or new approaches to understanding the phenomenon may be identified. For example, in a study by McCallin (1999) about interdisciplinary teamwork, the initial literature review focused on issues such as the “professions, health reforms and their impact on practice and political issues that affected professional practice” and not on reviewing interdisciplinary teamwork, or teamwork in general (McCallin, 2003, p. 206).

Thus, the purpose of the literature review was to provide the researcher with some background but “not to pre-empt the understanding about the nature of contemporary work.” McCallin (2003, p. 206) adds that the “critical issue is to remain open and to be prepared to have participants identify issues that are different to existing knowledge.” Despite the value of the literature review, Creswell (1998, p. 179) emphasizes that in a grounded theory study, the “researcher does not provide a theoretical framework... as the intent of grounded theory is to generate or develop a theory.”

This study is about the influence of family business value sets on the succession planning process and thus, the related literature in this chapter will focus on values and family business succession in general. The discussion of values in the literature review will be limited to the nature and types of values within culture and not on their role on behaviour, as this would constrain the development of a theory for this study. In terms of family business succession planning, the review of the related literature will focus primarily on succession in general because the theory I endeavour to develop is about succession planning in a Black family-owned business, thus I do not want to be restricted in the development of the theory by presenting a comprehensive review of succession planning literature. However, I will briefly present some literature on succession planning to orient the reader.

2.2 THE CONCEPTS OF CULTURE AND VALUES

Although the focus of this study is on values, values are embedded in the broad concept of culture. The discussion will first focus on the concept of culture before progressing to a focus on values.

2.2.1 Defining culture

Pheysey (1993, p. 2) argues that although culture permeates societies, nations, and to some extent, organizations, there is limited family business literature and research focusing on the cultural aspects of family businesses (Campbell & Heriot, 2002, p. 2; Dyer, 1986, p. 13). Tylor (1871, in Sackmann, 1991, p. 8), an anthropologist, is attributed with introducing the concept of culture in the English language in 1871. Tylor (1871, in Sackmann, 1991, p. 8) defined culture as:

That complex whole which includes knowledge, beliefs, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.

Since Tylor's definition, numerous definitions of culture have emerged and researchers are yet to reach a consensus. Haviland (1978) regards Tylor's definition as

unsatisfactory because ideas (i.e. beliefs, morals, law, knowledge, and customs) and objects (i.e. art, customs) are regarded as equal aspects of culture. Based on this contention, Haviland (1978, p. 12) defines culture as "a set of rules or standards which, when acted upon by members of a society, produce behaviour that falls within a range of variance the members consider proper and acceptable." Hofstede (1991, pp. 5-7), on the other hand, views culture as the collective programming of an individual's mind, which distinguishes them from another person.

Definitions post-Taylor found in the literature appear to be adaptations of the original definition but differ in terms of the components used in the final definition. These definitions are based on the various components of culture as outlined by Sackmann (1991, p. 8) and include:

Ideas, concepts, ideologies, values, attitudes, goals, norms, learned behaviours, symbols, rites, rituals, customs, myths, habits, or artefacts such as tools and other material representations.

Ayisi (1992, pp. 2-4) argues that culture should be representative of a group of people where culture is a way of behaving and can be transmitted from generation to generation. It is Haviland's (1978) view that the survival of a culture is dependent upon its ability to satisfy the basic needs of the members. The 'needs' include that a culture must be able to "provide for the production and distribution of goods and services...provide for the biological continuity through the reproduction of its members...enculturate new members...maintain order among members and motivate members to survive and engage in those activities necessary for survival" (Haviland, 1978, p. 20).

2.2.2 Defining values

Values are those shared beliefs considered particularly important by members of a group concerning what ought to be or what is considered good or acceptable in one's character, social interactions, societal arrangements, and cultural resources (Steyn, 1994, p. 170; Blunt, 1985, p. 35). Stackmann, Pinder and Connor (2000, p. 37)

suggest that most definitions about values regard values as “objects, qualities, standards, or conditions that satisfy or are perceived to satisfy needs and/or act as guides to human action.” Kroeber and Kluckhohn (1952, p. 173), state that “values find objective expression in observable forms of culture” such as behaviour. Rokeach (1973, in Koironen, 2002, p. 176) defines values as “generalised, enduring beliefs about the personal and social desirability of certain modes of conduct or end-states of existence.” Tearle (1992, p. 27) defines values as “an indication of how people are likely to behave” and outlines what values seek to address in an organization such as, what is or is not important, how to treat stakeholders, methods of working, what is acceptable behaviour, and the organization’s ethics attitude. Tearle (1992, pp. 27-28) explains further that values influence how people perceive or interpret events, make decisions, manage behaviour in the organization, and how people set the boundary around who is accepted in the organization.

2.3 CONTEXTUALIZING FAMILY BUSINESS VALUES WITHIN NATIONAL, FAMILY, AND BUSINESS CULTURE

From the definitions, values appear to influence or shape behaviour and in this study, the purpose is to explore how family business values influence succession planning in the Black-owned family firm. However, in this chapter, the focus will be on discussing the nature and types of values associated with the different levels of culture, namely national, family, and business culture. To this end, the rest of the chapter will be structured as follows. The discussion begins by presenting the values associated with the national, family, and business cultures at a general level and then more specifically within the family-owned business context.

2.3.1 National culture values

In his study of national cultures, Hofstede (1991) argues that different ethnic groups hold different worldviews on certain aspects of culture with the dimensions of individualism versus collectivism, masculinity versus femininity, power distance, and

uncertainty avoidance used as measures of these worldviews. The dimension of individualism versus collectivism represents the extent of integration of individuals in groups while the masculinity versus femininity dimension represents values of assertiveness and competitiveness versus the values of modesty and caring. Power distance measures the degree to which weaker members of organization and institutions such as family accept and expect power to be equally distributed. The value dimension of uncertainty avoidance represents intolerance for uncertainty and ambiguity. In addition to the original dimensions of national culture, Hofstede added a time orientation dimension of long-term versus short-term, where long-term represents the values of prudence and perseverance versus short-term values of respect for tradition, fulfilment of social obligations and protection of one's reputation (Hofstede & Peterson, 2000, p. 403).

Blunt (1985, p. 35) states that it is the belief system of a society, which comprises "shared knowledge, superstitions, myths and legends" that distinguishes one societal culture from another. South Africa is a nation with a diverse cultural heritage and every effort is made to embrace this diversity. In a study by Ndletyana (2003), the findings indicate that South African culture is defined along racial lines, that is, there is a Black culture and a White culture, and hence, it is unrealistic to talk of a unified national culture. South Africa was part of Hofstede's (1980) 40-country study; however, results of Ndletyana's study (2003) indicate that the results are not representative of South African culture because data was collected from mostly English-speaking White men. An example of the shortcomings of the findings according to the findings of Ndletyana's (2003) study is the high ranking of South Africa on the individualism dimension. While this may hold true for the White males who participated in Hofstede's (1980) study, this finding may not hold true for the Black population where the values of community and collectivism are integral in their value system (see for example, Togni, 1996, p. 112). On a national level, the findings of Ndletyana's study (2003) suggest that the difference between Black culture and White culture (although several ethnic groups exist in South Africa), in general, can be attributed to the fact that African culture is based on the *Ubuntu* concept.

Nussbaum (2003, p. 2) defines *Ubuntu* as the "capacity in African culture to express compassion, reciprocity, dignity, harmony and humanity in the interests of building

and maintaining community with justice and mutual caring.” Studies by Mbigi and Maree (1995), Ndletyana (2003) and Van der Colff (2003) present the values associated with *Ubuntu*, which include group solidarity, conformity, compassion, human dignity, collective unity and morality, harmony, respect for the elderly, and the ability to communicate with each other. The non-material aspect of *Ubuntu* encourages individuals to place greater emphasis on the well-being of other members of the group or community above one-self (Togni, 1996, p. 112). To this end, individualism is frowned upon if it does not benefit the group or community at large (Togni, 1996, p. 112). *Ubuntu* values are not unique to the South African Black culture. The proverb of the Igbo and Yoruba from Nigeria “*It takes a whole village to raise a child*” endorses similar values of community, unity, cooperation and sharing – values said to represent the African worldview (see for example, Mbigi, 1995, 1997; Mbigi & Maree, 1995).

2.3.1.1 National culture values and the family business

Goffee (1996, pp. 45-46) uses Hofstede’s (1991) dimensions of national culture to analyse their influence on the family business (see Table 2.1).

Table 2.1 Cultural differences and the family business

Dimensions of difference (after Hofstede, 1991)	Typical family/business characteristics	
	High	Low
Power distance	Deference to authority figures (in family and business); acceptance of inequality; paternalism or autocracy in family firms	Egalitarianism in family and business relationships; more meritocratic relationships within family firms (less nepotism)
Uncertainty avoidance	Child-rearing practices disciplined; greater emphasis on rules, hierarchy and structure in work organizations	Child rearing practices “looser” and person centred; greater tolerance of ambiguity and flexibility in work relationships
Collectivism/individualism	Close-knit, extended family networks; ownership dispersed among family	Nuclear family; ownership concentrated in individuals
Masculinity/femininity	Ownership and control highly concentrated among men; male and female work roles sharply differentiated;	Ownership and control less concentrated among men; greater interchangeability of work roles more women-owned businesses

(Source: Goffee, 1996, p. 11)

In family businesses where the power distance is high, family members and non-family members working the business accept inequality (in terms of distribution of authority, decision-making, succession) and non-family members are unlikely to hold top managerial positions. In family firms, where power distance is low, there is less nepotism and those individuals regarded as competent are considered for management positions. Family businesses with high uncertainty avoidance focus on enforcing rules, hierarchy, and structure in the enterprise to minimize ambiguity in comparison to those firms that are more tolerant of ambiguity. Family with close-knit relationships that include kinship demonstrate a collectivism approach in the managing of the business in comparison to family cultures that endorse individualism. There is high masculinity in family businesses that adopt more kinship-like structures compared to those family businesses that encourage equal participation of both men and women in the family business. Although it is beyond the scope of this study to test the cultural differences in family businesses as highlighted by Goffee's (1996) study, the study does begin to highlight the importance of culture in the management of family business.

While an examination of the literature presented suggests that national cultures may influence how individuals behave (as manifested in their values), there is limited research about the influence of national culture values within the family business context. Thus, while Goffee's study (1996) begins to provide some literature on the influence of national culture within the family business context, the study does not specifically focus on how national culture values impact or influence aspects of family business that include among others succession planning.

2.3.2 Family culture values

In studying family business values, it is essential to address the family cultural dimension as well as the business cultural dimension as both contribute to the type of culture that the family business embraces. It is essential to provide the family culture context because values do not function in isolation. Hollander and Bukowitz (1990, p. 141) suggest that the "rules, roles, and structure triangles each family adopts are expressions of family culture." Rules commonly developed in the family revolve

around “money, loyalty, togetherness, image, conflict, and roles” and some families have clear gender-based rules, where for example, succession is restricted to males (Hollander & Bukowitz, 1990, p. 141). Kepner (1991, p. 453) defines family cultures as “certain beliefs and assumptions that create a matrix of shared meaning and perception of reality that is experienced by all system members.” Lindsay and McStay (2004, p. 3) describe family culture in terms of “values, family traditions, family philosophy, [and] the emotional attachment to family assets.”

The definition presented by Zahra, Hayton and Salvato (2004, p. 364) that “family firm cultures develop over time reflecting the dynamic interplay between owners’ values, organizational history and accomplishments...” suggests that family culture is important in ensuring family survival. Kepner (1991, pp. 451-453) identifies individuation and emotional expressiveness as additional dimensions of family culture. In families, individuation may be unacceptable, tolerated, or encouraged. In some families, individuation is encouraged and accepted or tolerated if behaviour is consistent with shared rules, values, and norms. In some families, emotional expressiveness is restricted because demonstrating emotions is considered embarrassing and unreliable. Finally, some family cultures embrace and encourage emotional expressiveness and regard negative feelings as a source of information. From the definitions of family culture presented, definitions mirror conventional definitions of culture but are distinct in their incorporation of the family dynamic in the definition.

To extend the role of family structure in family culture, Todd (1985, pp. 11-12) developed a typology of family structure, which focused on the relationship between fathers and sons. The absolute nuclear family is liberal and inegalitarian where the children are expected to form their own households and the parental property is divided without exact rules of inheritance. Such families socialize their children to be independent and achievement oriented. In contrast, the egalitarian nuclear family encourages values of liberty and equality among all the children. Although separation of households is expected and encouraged, inheritance is shared equally among sons and values of independence and achievement are central in the family culture. The authoritarian family on the other hand endorses values of inequality and authority. The recognized leader is the father but the eldest son is identified as the heir, enjoys a

close relationship with the father, and is treated more equally than other sons. The final family structure is the community family, characterized by the values of equality and authority. All brothers are treated equally in terms of inheritance but similarly to the authoritarian family, the patriarch has the ultimate authority in the family. These different types of family structures describe the relationships between father and sons.

In African culture, an important distinguishing feature is the belief "that all things and people are interconnected and bound together" (Van der Colff, 2003, p. 260). In the South African Black family, research by Togni (1996) supported by Mbigi (1997), posits that *Ubuntu* underpins the value system of the South African Black family and is best described by the Xhosa proverb "*umuntu ngumuntu ngabantu*" which translates to 'I am because we are' (refer to section 2.3.1 for the values of *Ubuntu*).

Kellerhals, Ferreira and Perrenoud (2002) conducted a qualitative study of 25 families in which they interviewed 75 individuals (55 female and 20 male) who were representative of three successive generations of the same lineage. The interviews were structured on themes which included "family genealogy, relationships of mutual help, sociability management, the perceptions and expectations that different generations have of each other, the salient roles in family systems, the key figures involved in forming a personal identity, normative orientations, family management of deviance" (Kellerhals *et al.*, 2002, p. 216). The study identified institutional family cultures and privatized family cultures as broad types of family culture each with further classifications of family culture.

Institutional types of family culture according to Kellerhals *et al.* (2002, p. 217) are kinship cultures for which the identity transmission occurs in the family. In these family cultures, the individual life courses tend to be subordinated to family imperatives with emphasis on hierarchy, duty, and loyalty to the group. The types of family cultures that will be explained are the patrimony logic family culture, the faith logic family culture, and the myth logic family culture.

The *patrimony logic family cultures* (Kellerhals *et al.*, 2002, p. 218) are structured around the existence of a grouping of economic, social, and symbolic resources that together constitute a family culture. In this family culture, these resources are

important for family identity transmission, as it is through contribution that one attains the sense of belonging. Powerful symbols such as the family crest form part of the family's identity and that of the heir. The important values typical of this family culture include loyalty, tradition, and collective reasoning and these take precedence over individualized reasoning.

The *faith logic family cultures* (Kellerhals *et al.*, 2002, p. 219) are driven by shared religious, political, or even artistic beliefs in the family. The ideological identity is expressed through powerful symbolic actions such as the rituals associated with practices. In these family cultures, there is a shared value code centred on a quest for truth. The key value in this family culture is that of abiding by the ideology where the 'cleric' of the family is feared and looked up to by members of the family.

The *myth logic family culture* (Kellerhals *et al.*, 2002, p. 220) is based on the constant reference to a family's resounding past by means of stories and rituals. The symbols of family identity include the family tree, portraits, photos of a property now lost, or an illustrious figure. The norms and values that fortify family cohesion call for loyalty and continuity with respect to this important past. These values underpinning the individual stories include remembering who we are, where we come from, and what we went through. It is important that someone in this family culture perform the role of bringing together members of the kinship group to relive, through rituals, the history of the founding events. Another role is that of the 'keeper of the memory', where the person takes it upon her- or himself to preserve the relics – written, oral, and material – of the family's past.

Kellerhals *et al.* (2002, p. 220) also identified privatized types of family cultures, which emphasize internal relationships rather than affiliation to outside institutions (i.e. other families). The types of family culture that emerge include the charismatic figure logic, the discipline logic, and the maieutic logic.

The *charismatic figure logic family culture* (Kellerhals *et al.*, 2002, p. 221) centres on the existence and influence of a charismatic personality in the family based on his or her reputation in the professional world, personal coherence, and ideological strictness. The value code pertinent to this family culture type is the importance

attached to excellence, to standing out from the crowd, and cohesion. Broadly speaking, kinship is barely relevant, whether applied to the past (family memory is of secondary importance) or the present (there is little relationship with other members of the family such as cousins, uncles and aunts).

The discipline logic family culture (Kellerhals *et al.*, 2002, p. 223) has a degree of internal control applied through a series of strict rules where families with this family culture create a world based on order and consensus to enhance conformity and social integration. The value code mirrors this world as family members share the same sense of duty, effort, and respectability. Great value is attached to solidarity where the family considers their true kin to be the ones where there is mutual assistance. Hence, these collective strategies of survival and combat are reflected also in the definition of family roles.

The maieutic logic family culture (Kellerhals *et al.*, 2002, p. 224) is based on the nature of conversation between individuals. Such families do not make use of symbolism, while in other family cultures; symbolism represents the group and is used to strengthen family cohesion. Intimate rituals may be created and meeting places chosen where the intent is to symbolize a relationship between two persons rather than to affirm a collective identity. This family culture places emphasis on being an individual, on self-realization, and on the importance of fulfilment in one's relationships and life plans. Instead of having conventional references and following conformist rules, the individual seeks guidance from people who mean something to them. From the point of view of norms and values, the family members identify with the ideas of authenticity, transparency, and spontaneity.

2.3.2.1 Family culture values and the family business

Three main family cultures – patriarchal, collaborative, and conflicted, emerged from Dyer's (1986, pp. 35-40) study of family business culture based on the "assumptions about family relationships, the basic nature of other family members, and the method of [conflict resolution]." The *patriarchal family culture* is characterized by a dominant individual, normally the father, but may be a woman or another family

leader. Such an individual makes the major decisions, sets goals for the family, and is often secretive about events of the business because of a lack of confidence in their family. In comparison, a leader in a *collaborative family culture* engages family members and encourages participative decision-making. The focus on developing shared goals and values facilitates commitment and cooperation within the family business. In comparison to the collaborative family culture, the *conflicted family culture* does not have such a focus because of a lack of trust between family members. Such a culture is 'conflicted' because of the family's inability to develop appropriate conflict resolution mechanisms, resulting in avoidance strategies or reliance on the legal system to resolve any conflict.

The literature base on family culture is extensive with existing studies in both the family domain and family business domain. In addition, the studies in most instances articulate the values associated with a particular family culture. The literature suggests that the shared set of beliefs, values, and norms influence the formation of the family culture, which the researcher believes, in turn influence the culture of the business. While this study can draw on the existing literature about family culture in developing an understanding about family business values, the literature gaps in the existing literature include empirical research about Black family-owned business values and their influence on succession planning. The focus in the following sections is on organizational culture and similarly to the discussion of values within the family cultural context, the discussion will begin with a broad overview of organizational culture and then focus on values within the family business context.

2.3.3 Organizational culture values

The application of culture to organizational settings in management literature is usually dependent on the researcher's interest, hence, they will select from appropriate anthropological and sociological sources (Sackmann, 1991, p. 16). A variety of definitions of organizational culture can be located in organizational behaviour and management literature. Similarly, to the concept of culture, organizational culture is defined based on the orientation of the researcher and their worldview on the concept. Notwithstanding the lack of definitional clarity (Elsmore,

2001, p. 7), definitions do have commonality with regard to the notion that for an organizational culture to be recognized by the members of the enterprise, it requires adoption to some extent by all members. Sackmann (1991, p. 17) suggests three broad perspectives of culture found in managerial literature that are relevant to organizational settings. They include a holistic perspective, a variable perspective, and a cognitive perspective.

The *holistic perspective*, which draws primarily from the field of anthropology combines cognitive, emotive, behavioural, and artifactual aspects of culture (Sackmann, 1991, p. 18) to form a unified whole. Culture, in this perspective places strong emphasis on tradition, thus, the emergent cultural system on the one hand is the outcome of action and on the other, preconditions of future action. This perspective of culture is common in organizations because acquired and transmitted symbols define the shared way of thinking, feeling, and reacting (Sackmann, 1991, p. 18).

Organizational culture definitions typically resemble the definition outlined by Tunstall (1983, in Sackmann, 1991, p. 18):

Corporate culture may be described as a general constellation of beliefs, mores, customs, value systems, behavioural norms, and ways of doing business that are unique to each corporation, that set a pattern for corporate activities and actions, and that describe the implicit emergent patterns of behaviour and emotions characterizing life in the organization.

A weakness, however, of this holistic approach to defining organizational culture is in the actual research where researchers either focus on the tangible and visible aspects of culture while others focus on the intangible aspects (Sackmann, 1991, p. 18). This is because of differing assumptions of culture. Researchers who focus on the tangible aspects regard culture as something an organization has while researchers who focus on intangible aspects regard organizations as being a culture itself.

The *variable perspective* draws from functionalism, an area of symbolic anthropology and behavioural sciences and focuses on the manifestations of culture in the form of

verbal and physical behaviours, artefacts, and their underlying meanings (Sackmann, 1991, pp. 19-20). Culture is defined as 'the way things are done here', thus, emphasis is on observable behaviour, and because culture is regarded as something the organization has, it is viewed as a controllable organizational variable. The difficulty encountered by researchers adopting this perspective is decoding the said cultural manifestations, resulting in researchers developing their own categories, which may lead to biases. Advocates of the *cognitive perspective* conceive culture to be a complex phenomenon comprising of "ideas, concepts, blueprints, beliefs, values, or norms" (Sackmann, 1991, p. 21). Culture in this perspective is that what humans learn and it is this accumulated knowledge that helps human decide what is, what to do, and how to do things (Sackmann, 1991, p. 21). In management literature, this perspective can be found in various strengths of specificity and concreteness as reflected in the following definitions in Sackmann (1991, pp. 21-22).

Abstract definitions of culture include:

[Culture as] a set of shared understandings *or* meanings, *or* a system of publicly and collectively meanings of a group, *or* a set of important understandings shared by a community

A more concise definition of culture in the cognitive perspective is offered by Sackmann (1991, p. 22):

Culture as a set of shared values, *or* as shared norms and expectations, *or* as beliefs and expectations shared by most of the members of an organization's culture *or* as assumptions commonly held by members of a group

Porter, Lawler and Hackman (1987, p. 489) define organizational culture as a "set of customs and typical patterns of doing things" but emphasize that the strength and nature of such beliefs and values vary across organizations. McCollom (1988, p. 401) defines culture as a "set of conscious and unconscious beliefs and values held by a group of people and the patterns of behaviour, language, and symbols that express those beliefs and values, provide identity, and form a network of meaning for that

group.” Thus, no one organization has the same organizational culture to another because factors such as technology, the external environment, leadership structure, and internal business environment influence organizations differently.

Despite the different definitional approaches found in management literature, there are some underlying commonalities on concept of culture in the organizational setting. Schein (1985) provides one of the more comprehensive approaches to understanding organizational culture. Schein (1985, p. 9) defines culture in the organizational context as:

A pattern of basic assumptions – invented, discovered, or developed by a group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Definitions post-Schein (1985) tend to offer definitions that are more concise but the character remains the same. Schein (1985, p. 13) extends the definition of the concept of organizational culture by distinguishing between levels of culture. The first level of culture in the organization includes the *artefacts*, which are visible and include for example, the technology, art, and observable behaviour of organizational members, such as seating arrangements during a meeting. The second level includes the *values* underlying the culture, which enables one to distinguish between what ought to be from the way things are. The highest level in understanding organizational culture includes the *basic underlying assumptions*. Basic underlying assumptions are those aspects of the organizational culture that are taken for granted and by definition, are not negotiable or cannot be changed.

Sackmann (1991, p. 23) offers an additional debate as to what are the components, dimensions, and appropriate assumptions of culture in the organizational context, which will be briefly discussed in this study as the debate is beyond the scope of this study. Components in the definitions of culture include concepts such as ideologies, sets of beliefs, basic philosophy, basic assumptions, set of core values, or set of

norms. The problem, however, arises as to what these various concepts mean and as to whether these concepts can be substitutes for each other if the researcher only focuses on one or some of the components (Elsmore, 2001, p. 8; Sackmann, 1991, p. 24). The debate continues highlighting the existence of different dimensions as purported by different authors. In an effort to overcome this dilemma, Schein (1985, p. 14) suggested five assumptions of relation to environment, nature of reality, time and space, nature of human nature, nature of human activity and nature of human relationships as the dimensions of culture. Other dimensions suggested include the firm's customer-, employee-, results-, innovation-, productivity and costs- orientation, employees' orientation to the company and the firm's orientation with regard to technology (Sackmann, 1991, p. 26). The dilemma arises when one has to decide which dimensions are appropriate under certain conditions, and hence researcher bias can be introduced. The debate concludes by arguing some assumptions underlying the concept of culture remain untested thereby questioning the appropriateness of these assumptions. Examples of such assertions include, firstly, the widely accepted assumption of organizational culture being homogeneous and shared by members of the organization and secondly, that the leader is largely responsible for forming the culture (Sackmann, 1991, p. 26).

2.3.3.1 Types of organizational culture

Phesey (1993, pp. 15-18) outlines four types of organizational cultures, a role culture, an achievement culture, a power culture, and a support culture. A *role culture* is found in organizations with a hierarchical structure that places emphasis on conformity by meeting expectations manifested in job descriptions, rules, and regulations. Such a culture is said to be strong where tasks are simple, clearly defined and attainable. In contrast, an *achievement culture* focuses on work that needs to be done and not on conformity to expectations. This culture follows the premise that individuals are interested in the work if they have a personal stake in performing the work. In a *power culture*, there is recognition that certain individuals have more status and power than others do do. This type of culture is governed by rules of social order and acceptance of authority. The final type of culture is a *supportive culture*, which meets the needs of organizational members such as "relationships, mutuality,

belonging, and connection.” The underlying assumption of this culture is a shared commitment by members of the organization.

2.3.3.2 Organizational culture values and the family business

Dyer (1988, p. 37) believes that “the culture of the family business plays an important role in determining whether the firm continues successfully beyond the first generation.” Organizational culture in the small family business context may be more relational than self-governing (Ainsworth & Cox, 2003, p. 1464) given the dominant role of relationships in the business. According to Ainsworth and Cox (2003, p. 1465), “the study of culture in family-business research remains largely uninformed by critical perspectives on organizations, reflecting the broader assumptions and paradigms that have dominated the family-business field.”

Dyer (1986, p. 13) poses the question “*Why do some family businesses succeed and others fail?*” and postulates that the defining factor is the interaction of the types of culture – family culture and business culture. Dyer (1986, p. 13) defines culture in the family business context as “the basic assumptions and values that underlie the behaviour of the family and the firm.” Dyer (1986, pp. 15-20) elaborates on the concept of culture by outlining four levels of culture, namely artefacts, perspectives, values, and assumptions.

Artefacts in the family business can be expressed verbally (for example, the stories told about family members of the business), physically (for example, office allocation and layout), and/or behaviourally (for example, leadership styles). *Perspectives* refer to the way in which problems are handled based on the shared rules and norms in the family business, for example, the manner in which sibling rivalry is addressed during succession. The *values* in the family business are the overarching principles that guide behaviour in the family business, for example, honesty and integrity. The less visible aspects of culture in the family business are the basic *assumptions* that underlie the culture and these are based on the work others (see for example, Schein, 1985). Dyer (1985, p. 20) outlines seven categories of assumptions and posits that the assumptions

create different types of culture in the family business context. The categories of basic assumptions presented by Dyer (1986, p. 20) include:

1. *Assumptions about relationships:* Are relationships between members of an organization lineal (i.e. hierarchical), collateral (group-oriented) or individualistic?
2. *Assumptions about human nature:* are humans good, evil or neutral?
3. *Assumptions about the nature of the truth:* is truth (that is correct decisions) discovered from external authority figures, or is it determined by a process of personal investigation and testing?
4. *Assumptions about the environment:* can humans master the environment, must they be subjugated by it or should they attempt to harmonize with it?
5. *Assumptions about universalism:* should all members of the organization be evaluated by the same standards, or should certain individuals be given preferential treatment?
6. *Assumptions about time:* are members of the organization mainly oriented to the past, the present or the future?
7. *Assumptions about the nature of human activity:* are humans active? Are they passive, unable to alter existing circumstances? Alternatively, do they have as a primary goal the development of self as an integrated whole?

Based on these assumptions, Dyer (1986) in his study of 40 in-depth case studies of American family businesses identified four main cultural patterns, labelled as paternalistic, *laissez faire*, participative and professional family business cultures as presented in Table 2.2.

Table 2.2 Cultural patterns of the family business

<i>Category of assumptions</i>	<i>Paternalistic</i>	<i>Laissez Faire</i>	<i>Participative</i>	<i>Professional</i>
Relationships	Lineal (hierarchical)	Lineal	Collateral (group)	Individualistic
Human nature	People are basically untrustworthy	People are good & trustworthy	People are good & trustworthy	Neutral
Nature of truth	Truth resides in the founder/family	Truth resides in the founder/family although 'outsiders' given autonomy	Truth found in the group decision making/participation	Truth found in professional rules of conduct
The environment	Proactive stance	Harmonizing / proactive stance	Harmonizing / proactive stance	Reactive / proactive stance
Universalism	Particularistic (nepotism)	Particularistic	Universalistic	Universalistic
Time	Present- or past-oriented	Present- or past-oriented	Present- or future-oriented	Present-oriented
Human activity	Doing orientation	Doing orientation	Being-in-becoming orientation	Doing orientation

Source: Dyer (1986, p. 23)

The common family business culture in the study (Dyer, 1986) was *paternalistic* where the relationships are hierarchical with the assumption that truth resides in either the founder or the family. This assumption is supported by the assumption about human nature, which follows that people (i.e. non-family members) cannot be trusted. Furthermore, the assumption about universalism is particularistic in that family members often receive preferential treatment over non-family members. This family business culture is proactive in dealing with the environment as evidenced by family businesses ability to create new products, services, or markets but also unlikely to look for further opportunities because of the use of barriers to entry to protect existing markets. The assumption about human activity follows that employees will perform tasks according to the owning family's desires. There is a strong time orientation to the past where the founding family's legacy is maintained although some paternalistic businesses have a present time orientation because of the recognition that the business needs to adapt to changes in the business environment in order to survive.

The *laissez faire* cultural pattern differs from the paternalistic cultural pattern along the assumptions about human nature, where people are regarded as good and trustworthy and this is further reflected in the assumption about the nature of truth

where the family considers outsiders' opinions. The *laissez faire* family business culture and the paternalistic culture hold similar assumptions about relationships, the environment, universalism, time orientation, and human activity.

The third cultural pattern emerging from Dyer's (1986) study is the existence of a non-dominant culture known as the *participative* culture. The assumption about relationships follows that of group-orientation where the assumption about truth follows that truth is found in engaging all group members because it is assumed that people are good and trustworthy. Similar to the paternalistic and the *laissez faire* cultures, the participative culture has the same assumptions about the environment and time orientation. The assumption about universalism is one that is universalistic because of the involvement of all who work in the family business in the decision-making structures. This culture differs from the previous two cultures on the assumption of human activity. Employee self-development and growth is considered important because of a focus on the effectiveness of individuals in organizational tasks.

The final cultural pattern emerging from the study (Dyer, 1986) is the *professional* culture. This cultural pattern has different assumptions from the previous three cultural patterns except on the assumption about universalism where it is the same as that found in the participative culture and the assumption about human activity, which is similar to that found in the paternalistic and *laissez faire* cultures. The assumption about relationships emphasizes "individual motivation and achievement" (Dyer, 1986, p. 32) where people are neither considered good nor bad by members of the business and hence, truth can be located in the business's code of conduct. The assumption about the environment can either be reactive (responding to environmental influences) or in some cases proactive (planning).

Dyer (1986, p. 60) argues that a "significant factor in the development of the cultural configurations of the family firms [they] studied was the presence of a strong, charismatic founder." Characteristics of such leaders include for example, distrust of other authority figures, self-reliance, rejection of advice from others, exercise of power in an arbitrary and unpredictable manner, secretive, reluctance to delegate, and total organization and control of both the business and family activities (Dyer, 1986,

p. 61). It emerged from the study (Dyer, 1986, p. 68) that first-generation founders of the family created a paternalistic family business culture driven by either a patriarchal or conflicted family culture. First-generation founders created very few participative or professional family business cultures because the collaborative family culture was rare. Dyer (1986, pp. 69-74) highlights the advantages and disadvantages of the founder culture in the family business. The advantages include employee loyalty and commitment, clear power and authority roles, and the founder's ability to deal with problems because of their knowledge, and resourcefulness. However, problems begin to emerge as the business develops beyond the founder stage. Problems include an over reliance on the founder for direction, slow reaction to new competitive environment, inefficient decision-making processes, lack of adequate training and development of future leaders, feelings of powerlessness, inadequacy, and incompetence by family members.

Although the aim of this study is not to replicate Dyer's (1986) study, it serves as a good starting point for this study because it provides insights into the different aspects of family business culture and in particular the underlying assumptions of each of the cultures. The typology presented by Dyer (1986), however, does not explicitly identify the values of each family culture neither does it explicitly explain the behaviour of families with these family business cultures or its application within different ethnic groups. As Kay and Heck (2004, p. 384) highlight, "the influence of family culture and ethnicity on business culture has been under studied" and thus, in this study, it can be differentiated from Dyer's (1986) study in that it focuses on Black family-owned business and it focuses on values.

2.4 SUCCESSION AND THE FAMILY BUSINESS

According to Van den Berghe and Carchon (2003, p. 173) the main objective of an enterprising family "is the achievement of wealth creation across generations." Thus, a common feature of the family business is the desire by the founding owner for the business to go beyond the founding generation (Galiano & Vinturella, 1995, p. 178); however, few owners plan for the event (Sharma *et al.*, 2003, p. 1). The definition of succession in family business literature appears to be one where there is consensus.

Succession is the event that marks the transference of the ownership and/or management leadership of the family business to the next generation (Ibrahim *et al.*, 2001, p. 245; Shepherd & Zacharakis, 2000, p. 25; Morris, Williams, Allen & Avila, 1997, p. 387). Morris *et al.* (1997, p. 387) consider succession to be “the most critical issue confronting family firms” in addition to other family business management issues, such as access to finance, retention of managerial talent, sibling rivalries, lack of professional management, and effective governance (Miller & Le Breton-Miller, 2003, pp. 127-128). Furthermore, Danco (2004, in Jain, Muchsin & Rajnayak, 2004, p. 4) includes “the transfer of ethics, values and traditions along with the actual business itself” as part of the definition of succession.

Le Breton-Miller *et al.* (2004, p. 305) argue that there is extensive literature on family business succession and the tenets for its success but comment the difficulty they encounter in understanding the phenomenon because the literature deals with “a potentially important, but relatively small part of the problem.” They continue the argument highlighting that some studies focus on the founder, others on the successor, and others on the family context in addressing succession (Le Breton-Miller *et al.*, 2004, p. 305). Thus, the purpose of their research was to develop an integrative model of the succession process, which extended the focus from the founder, successor, and the family context, to include an industry context and a social context as important variables in understanding family business succession. Regardless of the focus, Perricone, Earle and Taplin (2001, p. 118) emphasize the importance of managing succession in the family business where “the business remains within family networks” because successful succession is “key to a firm’s sustainability.”

2.4.1 The succession process in the family business

Le Breton-Miller *et al.* (2004, pp. 306-308) reviewed more than 40 articles and 7 texts focusing on succession in the family business written in the last 30 years and identified common variables associated with a successful transition. Variables included firstly, incumbent attributes (for example, willingness, quality of founder/successor relationship, personality); secondly, successor characteristics (quality of founder/successor relationship, commitment to family-owned business,

competence, talent, experience). The third category of variables was the nurturing and development of the successor (career development, early exposure to the business, outside work experience, apprenticeship, formal education programme, training programme) followed by family dynamics (quality of relationships within the family). The next category of variables was the hand over phase (incumbent phase out, successor phase in) and the last two variables included the ground rules for succession planning and the composition of the board of directors. However, in their study (Le Breton-Miller *et al.*, 2004, p. 313) they suggest that other categories, which have the least mention in the literature, actually require further research. These variables include the social context (culture and social norms), family context (family-business interface, adaptability, family dynamics), and family-owned business context (ownership, previous succession experiences). These additional categories of variables are relevant for this study given that the focus was to present a different perspective on succession planning by focusing on Black family-owned businesses. Brockhaus (2004, p. 165) extends this notion by concluding that succession requires analysis from perspectives of the family, management and ownership systems because of its impact on these systems.

A central finding from the study by Morris *et al.* (1996) on family business succession is that greater attention should be placed on managing the human elements, which include building relationships, developing, trust, and communication. Furthermore, Bjuggren and Sund (2001, p. 12) emphasize the need for adequate time for succession because a transition between the generation of owners needs to be “initiated, planned, and carried, and it often necessitates a change in company culture...”

Stavrou (2003, p. 336) presents the competing needs of the family-business systems of the family business in the context of succession. She argues firstly, the needs of the family in terms of succession include continuation of incumbent in office while in terms of the business, succession planning needs to occur. Secondly, the family would want to select a successor based on family rules thereby encouraging paternalism and nepotism among the family, however, in terms of the business, the choice of the successor should be based on competence where the independence of the successor is encouraged. Thirdly, the needs of the family in terms of succession is the well-being of the family while in terms of the business, the focus is facilitating market adaptation

and survival. Although in terms of family needs there is a dependence of the successor on incumbent, in terms of business needs, the successor is driven by the bottom line in the business. The final competing demand is that governance in the family is through family bond while in the business, governance is determined by explicit rules. This approach to understanding the competing needs of the family system and business system in terms of succession mirrors the two-circle model of family business. The two-circle model is an earlier model proposed by Lansberg (1983) depicting the family business with two overlapping systems – the family and the business. Benson, Crego and Drucker (1990, in Whiteside & Brown, 1991, p. 385) outline the characteristics of the two systems. The family system is characterised by the unconditional acceptance of family members in the business offering life-long employment security, is emotionally based, and exhibits an unwillingness to change. On the other hand, the business system has to operate within accepted business principles, has an outward looking focus, rewards performance and thus, does not offer job security, and welcomes change. Thus, it appears that even in succession, there is the possibility of tension between the family system and the business system.

2.4.2 Reasons attributed to low succession rates in the family business

Venter and Kruger (2004, p. 1) highlight that “the conventional wisdom about family business refers to the perceived lack of endurance of family businesses.” Similarly, Janjuha-Jivraj and Woods (2002, p. 77) note with concern that “academia and industry mourn the demise of the family business with each successive generation.” Research of family businesses in the United States of America suggests that only 30 percent of family firms survive into the second generation of family ownership and only a further 15 percent - 16 percent surviving into the third (Birley *et al.*, 1999, p. 599, Kaslow, 1993, p. 8). The comparable numbers in the United Kingdom are 24 percent and 14 percent respectively, with most Chinese firms surviving only as far as the second generation (Lee, Lim & Lim, 2003, p. 658). Janjuha and Woods (2002, p. 77) postulate that these figures are representative of the situation regarding Kenyan Asian family businesses although they note the lack of “distinct figures documenting their survival rates.” The trend in South Africa is not much different (Venter, 2003). It

is interesting as observed by Lee *et al.* (2003, p. 658) that the low survival rate of family businesses beyond the first generation is a universal trend independent of cultural contexts or business environments. However, Shepherd and Zacharakis (2000, p. 25) caution against the belief that succession is the main cause of failure but note its significance for longevity.

The common reason cited for failed succession includes the inability for first generation to plan for succession (Neubauer & Lank, 1998). Dunemann and Barrett (2004, p. 2) identify 'human' problems such as "relationships, individual attitudes and experiences, business and family cultures, and the values and aspirations involved" as the areas that present the most problems during the transition. Handler and Kram (1988, p. 361) used multiple perspectives (individual, group, organizational, and environmental) to explain the family business succession failure statistics and concluded that succession in family business is resisted. Le Breton-Miller *et al.* (2004, p. 305) present the inability "to ensure competent family leadership across the generations as a challenge of successful family business succession."

While, Sharma (2004, p. 19) comments on the continued importance of research into succession in family business, Davis and Harveston (1998, p. 1) comment that despite "the importance of succession to the continuity of the family business, many issues of theoretical impact have yet to undergo large-scale empirical investigation."

2.4.3 Succession and the Black family

According to Harris (1991, p. 153), descent in the African culture, is "the belief that certain persons play an important role in the creation, birth and nurturance of certain children." Harris (1991, pp. 153-154), suggests descent is symbolic in nature because of its intent in the preservation of certain aspects or "spirit of people" in future generations. Descent relationships manifest in the form of duties, rights, and privileges accorded to people (Harris, 1991, p. 154). Patrilineal descent is more common than the matrilineal descent (Schneider, 1981, p. 84; Haviland, 1978, p. 215) in African societies and the patrilineal system influences social relations and legal issues such as inheritance and succession (Haviland, 1978, p. 216). Central to decisions pertaining to succession are the power structures of the household. Two

components of power structures that are well documented in the African family context include leadership and decision-making structures (Kayongo-Male & Onyango, 1984, p. 27). In the family context, leadership refers to the positions and the resource base from which power is obtained while decision-making and conflict management represent types of interaction where power is exercised (Kayongo-Male & Onyango, 1984, p. 27).

The types of leadership positions commonly found in the African family include the normative head, the emotional leader, the supporter, and the expert (Kayongo-Male & Onyango, 1984, p. 28). The father is normally the *normative head* with power bestowed upon him in line with African tradition, and is accorded unquestioned respect. On the other hand, the mother is normally the *emotional leader* who has the responsibility of maintaining a happy home. Both the father and the mother can fulfil the supporter leadership position, which requires holders of the position to provide resources such as food, clothing, and shelter needed for the family. Either a literate family member or an elder holds the *expert* leadership position because this entails being in a position to narrate clan history or be able to read.

Three types of decision-making processes – syncratic, autonomous, and autocratic can be located in family literature based on the extent of collaboration between husband and wife (Oppong, 1981, p. 115). *Syncratic* decision-making is found in families where there is high collaboration between husband and wife, thus, decision-making is a joint effort. On the other hand, *autonomous* decision-making can be found in families where the husband and wife make their own decisions regarding different issues. Finally, *autocratic* decision-making can be found in a family where there is low collaboration between the husband and wife; therefore, the dominant partner will make decisions and dictate them to the other. Clignet (1982, in Kayongo-Male & Onyango, 1984, p. 30), draws attention to other factors which influence power in African families which include the “type of descent system; functionality of the domestic role allocated to women; degree of economic independence of women; changes in residence, especially to urban environments; and features of the polygynous family.”

2.4.4 An introduction to succession planning in the family business

Succession can be regarded as a process (Sharma *et al.*, 2003, p. 1) with distinct stages (see for example, Handler, 1994) which include succession planning, succession planning activities and the actual transition (Venter, 2003; Morris *et al.*, 1996). Christensen (1953, in Davis & Harveston, 1998, p. 2) suggested the elements of succession planning as including the identification of potential successors, selection of the actual successor, and communication of the decision to other people. Despite the recognition of the need for succession planning by family businesses, studies reveal a lack of active management or succession planning (Dunemann & Barrett, 2004, p. 2; Kaslow, 1993, p. 8). Sharma *et al.* (2003, p. 1) define succession planning as “the deliberate and formal process that facilitates the transfer of management control from one family member to another” and use the theory of planned behaviour to identify the factors that influence the process. The conclusions from the study by Sharma *et al.* (2003) indicated that succession planning was mainly driven by the incumbent’s belief that succession was feasible in the business (Sharma *et al.*, 2003, p. 11). In addition, the “family’s commitment to the business” (Sharma *et al.*, 2003, p. 4) was another factor influencing the degree to which succession planning was likely to occur in the family business where higher levels of commitment intensified succession planning.

Extant literature on family business succession indicates that succession rates are low with a number of factors contributing to the low handover rate. Some researchers call for the need to develop a theoretical base about succession in the family business context with some studies highlighting the need to study the role/influence of culture on family business succession. Existing studies suggest that culture-oriented studies may contribute to the development of a family business succession theory. These assertions are useful for this study given the limited research on the influence of culture in the Black family-owned business where issues of leadership succession are influenced by culture.

2.5 SUMMARY

This chapter focused on addressing the different levels of culture. Family business culture comprises the integration of family culture and business culture and as such, each of these systems needs to be addressed. Of importance however, in the discussion of the different levels of culture was the focus of values. The culture of a family firm is significant in the succession process of a firm because of the norms and rules pertaining to how the event should occur in the business. However, it is difficult to ascertain the influence of culture per se on succession given that culture is comprised of different attributes, but by understanding the behaviour of founders, it may become easier to begin understanding the role of culture on succession. Thus, values, which represent the behaviour become useful in building that understanding because such behaviour is observable and can be implemented in the form of strategies and policies.

Succession is one of the key management issues of a family business if it is to go beyond the founding stage and succession planning can assist in facilitating successful succession. Thus, by exploring family business values, an understanding of succession planning in the family business can emerge. However, key to the development of this understanding is the selection of an appropriate research methodology and this is presented in Chapter Three.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The main research question of this research was “how do family business value sets influence the succession planning process in Black family-owned businesses?” The secondary questions included, what are the major types of values found in Black family-owned businesses? What is the main process by which founders plan for succession? When, how, why, and which value type influences the identified process? From the nature of the questions, it emerged that the study was focusing on overlapping aspects, which included family, business, and culture, but more specifically family business values. Be it family research, family business research, or research on family business culture, I observed that both qualitative and quantitative methods were used, with the method adopted driven by the research problem or question. The main research question of this study did not lend itself to a logical-deductive inquiry because of the limited literature on family business value sets within the Black family-owned business context and their influence on succession planning. In cognizance of these issues, I had to find an appropriate research methodology that could address these issues in a balanced approach.

In this chapter, I begin by discussing the methodological issues associated with conducting research in the family business field followed by a discussion on methodological issues associated with African-centred research. The chapter progresses to a discussion that provides an overview of the qualitative paradigm and the grounded theory method; the research method selected for this research. This discussion forms the foundation for justifying the selection of the Strauss and Corbin (1990) grounded theory method for this study. Following this discussion is a detailed account of the research process followed in this study by adopting the Strauss and Corbin (1990) grounded theory method, explaining the sampling method, data collection methods, data analysis method, and ensuring credibility of the study.

3.2 RESEARCHING FAMILY BUSINESSES

Prior to the early 1970s, Handler (1989, p. 257) points out that family business research was limited, identifying Christensen (1953), Donnelley (1964) and Levinson (1971) as the few researchers studying the field of family business. However, this landscape has changed over the last three decades with the field receiving significant attention from researchers and practitioners from a range of fields. This is substantiated by the fact that there is a well-established journal, *Family Business Review*, which focuses on family business-related issues. It was interesting that the main areas of focus that Handler (1989, p. 257) highlighted then, namely succession, culture, governance, the involvement of women, differences between family business and non-family business, and strategic planning are still of interest today but perhaps are being addressed in different ways as the field evolves. Wortman (1994, p. 3) comments that "there is no unified paradigm for the field" although the family business field has seen several conceptual frameworks being developed. In addition, despite the broad literature base, Sharma *et al.* (2003, p. 1) believe that the theoretical base of family business is in its infancy stage, thus making family business an interesting field in which to conduct research.

In the family business research methodology debate presented by Handler (1989, p. 258), she called for researchers to address five issues in developing the family business field. She advocated for a clear family business definition, for researchers to report on their study's methodology, that researchers declare their background, role, and assumptions in the research, for researchers to actively research the field by going beyond the practice of presenting 'research' based on individual consulting projects, and finally, for researchers to broaden research methods in conducting research. In searching for a research methodology for this study, it appeared that these issues were still relevant for my study and I found them useful in considering the appropriate research method for this study.

Using the *Family Business Review* as a point of reference, a review of some studies revealed that the most common research methods included case study method, interviews, and quantitative methods such as surveys. Consequently, in cognizance of

Handler's (1989) proposition for family business researchers to broaden research methods, I wanted a methodology that would contribute to the family business field from a methodology perspective as well. In addition, in pursuing the issue of which methodology to use, I wondered if the ethnic focus of my study – Black family-owned businesses would or could influence the methodological choice. Hence, in addition to the methodological issues raised by Handler (1989), I also had to consider the methodological issues of conducting research within an African context.

3.3 CONDUCTING RESEARCH IN AN AFRICAN CONTEXT: SOME METHODOLOGICAL CONSIDERATIONS

In response to his own question “What has been done in the field of Afrocentrism studies in South Africa?” Sono (1998, p. 67) states, “[the] simple answer is not much.” Sono (1998, p. 67) finds this “surprising considering that African-oriented viewpoints and ways of thinking have been common... in South Africa since 1958 at least” albeit the ideology was commonly used within a political context.

Sono (1998, p. 67) and others (see for example, Mkabela, 2005, Mazama, 2001, 2002) are critical of Black scholarship arguing such scholarship is closely aligned to “the rhetoric of popular movements.” Furthermore, it has been argued by Mazama (2001, p. 387) that an inherent weakness of Black studies is the “usually unconscious” adoption of the Western worldview, perspective, and “attendant conceptual frameworks” in conducting research in an African context. Given that I was studying Black family-owned business, I decided to explore further Mazama's (2001) concern. The purpose of such an inquiry was to interrogate the issues and considerations of conducting research within an African setting and their relevance for this study.

Early in the inquiry, the concept of Afrocentricity often emerged when writers detailed approaches to conducting research that was sensitive to an African context. Asante, (1980, in Sono, 1998, p. 69) in defence of an Afrocentric philosophy argued:

The question most often encountered is why? Why the need for an Afrocentric philosophy? And my question is why not? Who else would you want to have at your centre? It does not take away from the university or humanity of man to have a particular culture or history to stand as one's centre since all cultures share certain universal traits; but they do not necessarily resemble each other. Afrocentricity resembles the black man, speaks to him, looks like him and wants for him what he wants for himself.

Asante (1991, in Mazama, 2001, p. 388) defines Afrocentricity as:

[A] frame of reference wherein phenomena are viewed from the perspective of the African person...It centers on placing people of African origin in control of their lives and attitudes about the world. This means that we examine every aspect of the dislocation of African people; culture, economics, psychology, health and religion.

Mazama (2001, pp. 388-389) notes the confusion regarding the definition of Afrocentricity arguing that writers, (see for example, Adams, 1993; Hill Collins, 1991 in Mazama, 2001) "misunderstand Afrocentricity altogether." It may be this confusion that has led to the use of Afrocentricity as "an analytical tool," which Mazama (2002, p. 218) cautions against, believing that being Afrocentric can then become a choice for people rather than being an inherent part of their being. While I valued the view of Afrocentricity and wanted to incorporate the main principle of "viewing phenomena from the perspective of an African person" (Mazama, 2001, p. 388), I wondered which research paradigm and method would allow me to accommodate this principle.

Sono (1998, p. 68) emphasizes the need for an African epistemology and phenomenology. To this end, Sono (1998, p. 78) argues how Afrocentricity has been primarily useful in highlighting points of convergence and divergence between African and Western worldviews but warns of the dangers of the "importation to South Africa of Euro-American paradigms and models, some of which may not be inappropriate..." This sentiment is echoed by Mkabela (2005, p. 179), who advocates for an Afrocentric research paradigm to minimize the tendency of researchers framing

their understanding of culture from a non-African perspective. Mkabela (2005, p. 179), concurs with Asante's assertion that Afrocentricity can significantly influence how African researchers form their identity because researchers need to immerse themselves into the social and cultural worlds of their participants, thus, such research is not value-free. Importantly, Mkabela (2005, p. 180) underscores the importance of understanding the Afrocentric paradigm in the South African cultural context; an important statement to assist researchers avoid presenting one reality as representative of all South Africans. However, MacRae (1976, in Karenga (1988, p. 397) comment that the "problem of producing a paradigm for interdisciplinary and/or multidisciplinary studies has challenged academia for some time without effective resolution." In response to this concern, Carruthers (1984, in Karenga, 1988, p. 411) postulate that an understanding of an African worldview can serve as the starting point upon for African-centred research.

The question of whether an African worldview or philosophy exists is an issue still attracting attention. The argument forwarded by some is that philosophy cannot be African, Western or Eastern, but just philosophy while others disagree and heed for different approaches to suit different worldviews. However, Bodunrin (1984, p. 13), posits that in "Africa more than in many other parts of the modern world, traditional culture and beliefs still exercise a great influence on the thinking and actions" of its people and thus advocates for an African worldview. In addition, Ramose (2002, p. 230) believes that "*Ubuntu* is the root of African philosophy."

Egbulem (1992) presents pillars of the African life or worldview. In the first instance, Africans, according to Egbulem (1992, pp. 238-239) acknowledge the "active presence of the creator God in the world." African spirituality gives prominence to the existence of God because "all that exists has its origin and meaning in God and will terminate in God" (Egbulem, 1992, pp. 238-239). In addition, in the African worldview, God is not regarded as being apart from the world but as part of a system that comprises God at the top followed by ancestors, humankind, animals, plants and matter (Teffo & Roux, 2002, p. 164). This "unified sense of reality," allows for the visible (the living) and invisible (ancestors or the 'living dead') worlds to coexist (Egbulem, 1992, p. 239). Another tenet of the African worldview is the "family and community as the place to be born, live, and die" (Egbulem, 1992, p. 240). There is an



important link between an individual, family members, clan, or community and hence, one's existence is lived in interaction with others in the community (Egbulem, 1992, p. 240). Kinship systems found in the indigenous people of Africa reinforce the idea that a person cannot live alone (Ramose, 2002, p. 230; Egbulem, 1992, p. 240).

I found Mbeki's (2001) speech "*I am African*" particularly interesting, as I believe it raised research methodological issues that could contribute to my inquiry about research in an African context. The following is an excerpt from the speech in which Mbeki (2001, p. 9) declared:

I am an African. I owe my being to the hills and the valleys, the mountains and the glades, the rivers, the deserts, the trees, the flowers, the seas and the everchanging seasons that define the face of our native land...

On reading that statement, several questions emerged. Firstly, was this Mbeki's own value system or did it represent a value system for all those who considered themselves to be an African? However, an immediate question that arose was, if this statement represented all those who considered themselves an African, did this have the danger of making a generalization that all Africans share the same ideology? In addition, does this not negate efforts by African scholars to dispel the belief in this assumption? Furthermore, who is considered an African? Who decides what that worldview is?

Thus, the outcome of my inquiry was that research in an African setting had some methodological issues that I had to consider in my study. To this end, although I did believe that Afrocentricity could be significant for my study, its significance was difficult to incorporate because of a lack of a unified paradigm. For example, the ontological and epistemological questions were somewhat addressed but needed further clarity and the methodological question remained unanswered – a critical component needed to select an appropriate research strategy.

Based on discussions of conducting research in both family businesses and an African setting, the following section outlines the paradigm that I believed was appropriate for

this study. This is followed with a discussion of the research method selected in light of the paradigm that I believed was more appropriate to answer the main and secondary research questions of this study.

3.4 QUALITATIVE RESEARCH

Crossan (2003, pp. 47-48) suggests that an understanding of the philosophy of research is useful for identifying an appropriate research method, evaluating the appropriateness of the research method for the study, and presenting the researcher with the opportunity to make use of methodology previously outside their experience. Furthermore, Crossan (2003, p. 48) criticizes those engaged in the quantitative/qualitative debate, arguing that the debate is clouded by a "lack of coherent definitions and a focus on methods rather than an exploration of underlying philosophy." For example, Denzin and Lincoln (1994, p. 2) argue although qualitative research may mean different things in what they term a "complex historical field," a generic definition of qualitative research can be offered. Qualitative research, according to Denzin and Lincoln (1994, p. 2), "is multimethod in focus, involving an interpretative, naturalistic approach to its subject matter." In comparison, Strauss and Corbin (1990, p. 17) define qualitative research "as any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification."

Bryman (2003, p. 103) outlines two features of qualitative research. Firstly, qualitative research is judged using criteria that is specific to the paradigm, an important aspect of ensuring the authenticity and quality of the product. Secondly, qualitative research is considered more flexible than quantitative research because of the emphasis of discovering new or unexpected findings and hence, researchers accept the fact that the research plan may be altered during the research process. Hammersley and Atkinson (1983, in Silverman, 1995, pp. 27-28) propose two other distinguishing characteristics of qualitative research. The first distinguishing feature is that qualitative research has the potential to provide a deeper version of the findings as it does not merely look for relationships between variables. Secondly, the applicability of qualitative research in different disciplines makes it possible to

conduct different levels of research, be it simply reporting on people's views or a conceptual description of a phenomenon. Henning, Van Rensburg and Smit (2004, p. 3) add that in qualitative research there is freedom to capture a phenomenon fully because "the variables are usually not controlled" but rather that "natural development of a phenomenon is key and can be explained by using evidence from the data and from the literature."

3.4.1 Philosophical assumptions of qualitative research

Regardless of the definition of qualitative research, researchers are bound by certain ontological, epistemological, and methodological boundaries broadly known as paradigms, defined as a "basic set of beliefs that guides action" (Guba & Lincoln, 1994, p. 107). According to Denzin & Lincoln (1994, p. 13), ontology addresses the abstract principle of 'what is the nature of reality?' while epistemology raises the question 'what is the relationship between the researcher and the knower?' and finally, the methodological question 'how do we know the world or gain knowledge of it?'

3.4.1.1 Ontological assumptions of qualitative research

Creswell (1998, p. 76), outlines the ontological assumptions of the qualitative research. The ontological assumptions of qualitative research emphasize the existence of multiple realities, which include for example those of the researcher, the research participants, and the reader. Thus, Creswell (1998, p. 76) argues, the responsibility of qualitative researcher is to actively report on such realities. The two realities I was able to report comprehensively on, I believe, were those of the research participants and my own. In the case of the research participants, their realities were represented by "[relying] on [their] voices and interpretations...through extensive quotes" (Creswell, 1998, p. 76) used in findings sections (see Chapters Four – Six) of the study. In terms of my reality as the researcher, reality was relative as it was through the participants' realities that I was able to understand the phenomenon under study. My own understanding of the study's research questions influenced the

interpretation of the data and as I gained more knowledge of the participants' worlds, I was able to modify my reality about the phenomena under study.

3.4.1.2 Epistemological assumptions of qualitative research

On the epistemological assumption of qualitative research, the relationship between the researcher and research participants was one where there was close interaction. Taylor and Bogdan (1998, p. 7) and Bryman (2003, p. 103) posit that central to qualitative research is a researcher's strong commitment to seeing the social world from the participants' perspective and because of this commitment, close involvement from the researcher in the research process is encouraged. This is in support of Guba and Lincoln (1994, p. 107) who argue that a research paradigm represents the worldview as defined by its holder, "the nature of the "world," the individual's place in it, and the range of possible relationships to that world and its parts." In this study, interaction with the research participants was also important given my limited understanding of a phenomenon under study. Therefore, I was reliant on the participants to share their experiences with me to develop my understanding and this was achieved through consensual interaction with the research participants. In addition, a qualitative research approach was appropriate for this study as it enabled me to explore the phenomena where there was little research. I therefore needed to interact closely with the research participants to understand their realities about the phenomena that I was studying. The close interaction may have lead to biases being introduced into the study, such as misinterpretations of the data because of my own experiences and understanding of the research questions. However, such biases were minimized by implementing strategies such as introducing peer reviews and member checks (see sections 3.6.2.2 and 3.6.2.3 for more details).

3.4.1.3 Methodological assumptions of qualitative research

Hoepfl (1997, p. 49) synthesizes the features of qualitative research based on several writers. Although not exhaustive, the features identified are useful for guiding researchers in terms of method selection, data collection, and analysis. Features of the methodology include that, firstly, qualitative research is conducted in natural settings,

which, secondly, facilitates the discovering of meaning according to the people who have experienced those events. Another feature of qualitative research is that the researcher is the data collection instrument, who then analyzes the data inductively, and finally, presents output that is descriptive in nature thereby allowing the participants' voices to be heard. This is supported by Turnbull, (2002, p. 317) who adds, qualitative research, "arguably, has the potential to add the richness and significance of individual experience in the theory-building research process."

After researching the different qualitative research methods available, namely, case studies, ethnography, phenomenology, and the grounded theory method, the grounded theory method emerged as the most appropriate method to address the study's research questions. The grounded theory method was appropriate as it was aligned to the ontological, epistemological, and methodological assumptions of the research questions and was a method sensitive to context (Henning *et al.*, 2004, p. 20).

The following section provides an overview of the grounded theory method.

3.4.2 The grounded theory movement

The following sections will be a discussion on the grounded theory movement by first, focusing on the emergence of the method followed by a discussion on the evolution of the method, and finally a section highlighting the criticisms levelled against the method as well as the useful aspects of the method.

3.4.2.1 The emergence of the grounded theory method

Originally, grounded theory was developed for use in the social science context and was extensively used in nursing research, as was the case with the pioneers, who used the method in studying the experience of dying patients (Baker, Wuest & Stern, 1992, p. 1356). The pioneers of the grounded theory method as a research methodology were Barney Glaser and Anselm Strauss in the 1960s (Eaves, 2001, p. 655; Partington, 2000, p. 93; Backman & Kyngäs, 1999, p. 147), who in part were responding to Blumer's (1954) concerns regarding the state of social theory. Blumer

(1954, p. 4), in this seminal article questioned the relevance of social theory in its application to reality, suggesting that a shortcoming of developing theory at the time was its focus on generalization. Furthermore, Blumer (1954, p. 4) argued that such an approach to research was limited in its ability to foster further research and finally, questioned whether all 'facts' presented in such theories were actually relevant to the social world. Wicker (1989, in Wandersman, Hallman & Berman, 1989, p. 580) would later pick up the debate again advocating for substantive theorizing as had been suggested by Glaser and Strauss in their 1967 collaboration: *The discovery of grounded theory: Strategies for qualitative research*. Wicker (1989, in Wandersman *et al.*, 1989, p. 580) argued that substantive theorizing (see section 3.4.2.4 for detailed discussion) enabled researchers to draw on different disciplines to develop "new concepts, procedures, and insights that develop from a thorough examination of a substantive domain."

The origins of the grounded theory method can be located in symbolic interactionism (Goulding, 2005, pp. 295-297; Holloway & Todres, 2003, p. 352; Partington, 2000, p. 93; Kendall, 1999, p. 743). According to Kendall (1999, p. 744), symbolic interactionism emerged as a perspective focusing on the "generation, persistence, and transformation of meaning," claiming "that meaning could only be established through interaction with others." Charon (2001, pp. 29-31) notes that the underlying ideas of symbolic interactionism originate from George Mead and include five focus areas, namely, the role of social interaction, the role of thinking, the role of definition, the role of the present, and the role of the active human being (Charon, 2001, pp. 27-28).

Charon (2001, p. 27) explains how in symbolic interactionism the focus is on the nature of *social interaction* characterized by "the dynamic and social activities" among people. Interaction, as an activity, is an on-going process (Kendall, 1999, p. 744) because individuals actively influence each other because their own actions take into account the actions of others. In terms of the *role of thinking*, Charon (2001, p. 27) explains that an individual behaves according to the given situation based on their own thinking although thinking may be influenced by other individuals. On the other hand, the *role of definition*, Charon (2001, p. 28) explains how humans do not directly react to their environment but, rather; they act according to the definition attached to

the situation. Following on is the *role of the present*, which is characterized by an individual's emergent actions because of what is currently happening. Charon (2001, p. 28) argues that an individual's current action is dependent on their definition of the current situation, interaction, and thinking process but notes that the individual is influenced by the past in the current situation. The final premise of symbolic interactionism is the *role of the active human being* where it is suggested that humans are active rather than passive individuals because the individual "interacts, thinks, applies experience, defines, and makes decisions in the present situation based on the factors in the immediate situation" (Charon, 2001, p. 28).

Thus, Backman and Kyngäs (1999, p. 147) contend that by using the grounded theory method, it becomes possible to study events based on their meanings for the individuals involved. Furthermore, according to Holloway and Todres (2003, p. 352), the focus of a grounded theory study is "on developing plausible and useful theories that are closely informed by actual interaction of people" would be aligned to the tenets of symbolic interactionism. In addition, as emphasized by Rennie (2000, p. 481), central to the grounded theory method is the strong focus on the context in which the phenomenon occurs, which too would be aligned to symbolic interactionism.

3.4.2.1.1 Philosophical assumptions of the grounded theory method

Grounded theory falls within the constructivist paradigm where ontology is relativist, that is, multiple realities exist because an individual constructs reality (Guba & Lincoln, 1994, pp. 109-111). The principle aim of constructivism is gaining understanding of the phenomena held by people and because the nature of knowledge is dependent on environmental factors (for example, social, political, cultural, economic, gender, ethnic), the existence of multiple "knowledges" is acceptable (Guba & Lincoln, 1994, p. 113). Epistemology is subjective in grounded theory as the researcher and the knower create understandings together (Guba & Lincoln, 1994, pp. 109-111), thus, as the researcher I actively need to enter that individual's world and together with the research participants develop an understanding. In addition, it could also accommodate aspects of African-centred research and in particular, the issue of placing the individual at the centre of the research study.

Eaves (2001, pp. 655-656), presents a set of methodological assumptions underlying grounded theory based on the literature but cautions that the founders (Glaser and Strauss, 1967) did not explicitly state these assumptions. However, Eaves (2001, pp. 655-656) argues that the assumptions she presents emerge from the writings of the founders and other writers. Denscombe (1998, in McCallin, 2003) also provides some assumptions underlying grounded theory and Table 3.1 provides a summary of these assumptions based on these writers of the grounded theory method.

Table 3.1 Methodological assumptions of the grounded theory method

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| <ul style="list-style-type: none">- Inquiry is structured by discovery of social and social psychological processes- Data collection and analysis phases of research proceed simultaneously- Both processes and products of research are shaped from the data rather than from preconceived logically deduced theoretical frameworks- Analytic processes prompt discovery and theory development rather than verification or pre-existing theories- Theoretical sampling refines, elaborates, and exhausts conceptual categories, thus it is difficult to predict participants at the onset of the study- Grounded theory methodology is not only aimed at studying processes, but also assumes making theoretical sense of social life is itself a process- The systematic application of grounded theory analytical techniques leads progressively to more abstract analytical levels- Theories need to be grounded in the data |
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3.4.2.2 The Glaser or Strauss grounded theory method: The ongoing debate

Eaves (2001, p. 656) highlights how the grounded theory method has evolved and at the centre of the debate is the divide between the pioneers of the method. Grounded theory as a method has evolved from the original approach presented by Glaser and Strauss (1967), however, Corbin and Strauss (1990, p. 5) highlight that the changes are in terms of procedures and not form. Boychuk-Duchscher and Morgan (2004, p. 606) suggest that the evolution of grounded theory into the two different approaches to grounded theory is mainly driven by the founders' different epistemological philosophies. In terms of epistemology, Glaser's approach advocates for distance between the researcher and the method, while Strauss's method advocates for the

researcher to be more closely involved in the process of generating the theory (Annells, 1996). It is on this basis that the divergences between the methods to grounded theory result in different procedures.

Strauss teamed up with Corbin and developed their version of the grounded theory method. Dey (1999, p. 21) believes that an area of divergence between Glaser and Strauss lies in the use of verification where Glaser's (1992) approach to grounded theory is inductive with little room for deductive inquiry. On the contrary, the Strauss and Corbin (1990) approach to grounded theory advocates a combination of both inductive and deductive analysis (Dey, 1999, p. 21). Thus, Glaser is critical of the Strauss and Corbin approach to grounded theory because he believes there is no need to verify the "theory against the data unless it is not based on the data but already goes beyond it" (Dey, 1999, p. 21). Goulding (1999, p. 867) argues that the originators of the grounded theory method have undergone some conversion observing that "Glaser emphasizes the interpretive, contextual and emergent nature" developing theory while Strauss has become "dogmatic" as evidenced by the use of "highly complex and systematic coding techniques."

Strauss and Corbin (1990, p. 24) define grounded theory methodology as a "qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon." Thus, Strauss and Corbin (1990) presented a new coding framework for analyzing data – the paradigm model, which focuses on conditions, context, action/interactional strategies, and consequences of the phenomenon and this would distinguish their method from the original version. Partington (2000, p. 95) suggests that the Strauss and Corbin (1990) grounded theory method presents a simpler approach to the original method presented by Glaser and Strauss (1967) without "losing any of its comprehensiveness and intellectual complexity."

In their original collaboration, Glaser and Strauss (1967, p. 94) articulated that it was their intention "to stimulate others to codify and publish their own methods for generating theory." Given this 'methodological freedom,' it is ironic, that at a later stage, Glaser would become one of the greatest critics of Strauss and Corbin's (1990) version of grounded theory methodology (Kendall, 1999, p. 745). Glaser (1992, in

Kendall, 1999, p. 746) is critical of the Strauss and Corbin (1990) grounded theory method and in particular the paradigm model used in during axial coding because he says that such a framework forces the development of theory rather than the theory emerging from the data (Seldén, 2005, p. 120).

3.4.2.3 Rising to the challenge: Critics and advocates of the grounded theory method

Miller and Fredericks (1999, p. 538) in support of an earlier writer – Robrecht (1995, in Kendall, 1999, p. 748) are some of the critics of the grounded theory method who challenge the claim of grounded theory's ability to explain. These writers are critical of the Strauss and Corbin (1990) grounded theory approach arguing that the strong focus on procedures and not development could overshadow the theory's ability to explain the phenomenon under study. Other writers such as Thomas and James (2005, p. 3) challenge, "the legitimacy of grounded theory ...[and] dispute grounded theory's status as theory, and the assertion that it can be 'discovered...its claim to be consistent with the tenets of qualitative inquiry and ...question its claims to produce better predictive and explanatory outcomes than other methods."

The debate put forward by the main critics (see for example, Layder, 1993; Haig, 1995, Robrecht, 1995 in Thomas & James, 2005, pp. 3-4; Dey, 1999; Charmaz, 1988; 2000) of grounded theory is synthesized by Thomas and James (2005, p. 3) and focuses on three issues. According to Thomas and James (2005, p. 3), critics argue:

First, that grounded theory oversimplifies complex meanings and interrelationships in data; second, that it constrains analysis; and third that it depends upon inappropriate models of induction and asserts from them equally inappropriate claims to explanation and prediction.

Advocates for the use of the grounded theory method are numerous and their contributions will be discussed in the following paragraphs. Despite the criticism of the Strauss and Corbin (1990) grounded theory method as having too many

procedures (Seldén, 2005, p. 125; Miller & Fredericks, 1999, p. 538; Robrecht, 1995), Thomas and James (2005, p. 2) present an argument on the contrary. Thomas and James (2005, p. 2) argue that the popularity of the methodology lies in its inherent ability to offer a solution in the form of “a set of procedures, and a means of generating theory” to researchers who want a method of dealing with the data collected within natural settings. This statement builds on Partington’s (2000, p. 95) suggestion that these procedures formalize qualitative research methods, which “might also be seen as offering a legitimizing device with which to counter criticisms of lack of rigour of qualitative studies” from researchers operating from a positivist paradigm.

Charmaz (2001, p. 245) takes the debate further regarding the procedures of grounded theory methods, stating that a “major contribution of grounded theory methods is that they provide rigorous procedures for researchers to check, refine, and develop their ideas and intuitions about the data.” Holloway and Todres (2003, p. 352) state that the grounded theory method is more developmental in comparison to other research methods because it has the capacity to accommodate emerging theory. This is aligned with social constructionist researchers who argue that reality is not absolute but the reality that exists is constructed by people and those realities “may develop and change, influenced by context and time” (Turnbull, 2002, p. 318).

Partington (2000, p. 92) highlights the concerns of writers in the field of management (for example, Burrell, 1996; Parkhe, 1993; Eisenhardt, 1989; Mintzberg, 1979 in Partington, 2000, p. 92) of the “tendency for researchers to move too soon towards testing the statistical significance of relationships between conceptual variables in theoretically based arguments.” Partington (2000, p. 92) suggests researchers should make use of inductive methodologies to generate useful and up-to-date theories. Furthermore, Baker (2002, p. 178) notes that the method has begun to be used in a number of different fields, including “business and management research.” As Goulding (2005, p. 297) points out, the marketing discipline has developed and now incorporates behavioural topics such as “ethical marketing, social marketing, green issues and experiential consumption,” hence, the adoption of grounded theory has become acceptable in conducting management research.

Furthermore, the method's ability to explain actual events within a particular context rather than describe what should be happening (Douglas, 2003, p. 51; McCallan, 2003, p. 203) enhances, a researcher's opportunity to develop a deeper understanding on the phenomenon under study. This is in support of Charmaz's (2001, p. 252) observation of how the grounded theory method focuses mainly on peoples' actions and facilitates a multi-layer of understanding of such actions. Charmaz (2001, p. 252) identifies these layers as the individual's "(a) stated explanation of their action, (b) unstated assumptions about it, (c) intentions for engaging in it, (d) effects on others, and (e) consequences for further individual action and inter-personal relations."

However, Länsisalmi, Peiró and Kivimäki (2004, p. 242) emphasize that researchers using the grounded theory method are not tasked with producing "a perfect description" of a phenomenon. Rather, Länsisalmi, *et al.* (2004, p. 242) argue that researchers are tasked with developing "a theory that accounts for much of the relevant behaviour" within a specific context and this is regarded as a "legitimate outcome of [a] study" (Creswell, 1998, p. 57). These observations made by Länsisalmi *et al.* (2004, p. 242) and Creswell (1998, p. 57) mirror Glaser and Strauss's (1967, p. 32) view of regarding the development of theory as a process, which implies that theory can evolve and build on existing theory because phenomenon can be studied within new contexts.

Partington (2000, p. 95) posits, "in published management research there is little evidence of the successful application of any precisely prescribed approach," citing only four grounded theory studies in management (for example Brown & Eisenhardt, 1997; Gersick, 1994; Gioia & Chittipeddi, 1991; Kram & Isabella, 1985 cited in Partington, 2000, p. 95). Partington (2000, p. 95) observes that in all but one study, the purpose of using the grounded theory method was exploration while for the other study, the stated purpose was to stimulate further research and all the studies used interviewing as the principal data collection method (Partington, 2000, p. 95). More recently, Länsisalmi *et al.* (2004) used a grounded theory approach to explore the phenomena of collective stress and coping strategies within an organizational culture context. A case study methodology was used to collect data from 63 informants in three divisions of a multinational company on issues of their work and daily routine, work-related values and company values, career history and major events that had

occurred during their time at the company. The data was analyzed using grounded theory data analysis methods and four sub-cultures were identified. Using the *Family Business Review* as a point of reference, I was able to locate one grounded theory study conducted by Keating and Little (1997) on the process of selecting a successor within the context of farm family businesses in New Zealand.

3.4.2.4 Types of theory generation in the grounded theory method

Gopnik (1996, p. 496) defines theories as “systems of abstract entities and laws that are related to one another in coherent ways.” According to Lomborg and Kirkevold (2003, p. 191), Glaser and Strauss (1967), introduced grounded theory “as a method to explore social processes and reveal the human characteristic of anticipating and responding to various life circumstances.” McCallin (2003, p. 205) adds that the “grounded theory researcher sets out to discover patterns of behaviour in a particular group of people in a certain context.” The capacity of the method to do this makes the method appropriate to research according to Goulding (2005, p. 296) any “behaviour that has an interactional element to it.”

Glaser and Strauss (1967) and later Strauss and Corbin (1990) maintained that the grounded theory method generates two types of theory – a *formal theory* or *substantive theory* where the generation of these types was still grounded in the data. A formal theory can be described as that which focuses on a conceptual area such as succession planning while a substantive theory focuses on a limited, contextualized area such as succession planning in Black family-owned businesses (Selden, 2005, p. 114; Creswell, 1998, p. 57; Glaser & Strauss, 1967, p. 32). In this study, the outcome of the theory generation was a substantive theory.

Wicker (1985, pp. 1094-1101), presents several strategies that researchers may use in their theory generation process, namely – playing with ideas, considering contexts, probing and tinkering with assumptions, clarifying and systemizing the conceptual framework. It is the strategy of considering contexts that was of relevance in this study, and the grounded theory method of developing theory is particularly sensitive

to this strategy. By considering contexts, Wicker (1985, p. 1096) argues, researchers are able to “decide where to begin work in a new area and to plan new research directions.” Wicker (1989, in McGrath, 1989, pp. 550-553) proposed five tenets for substantive theorizing. Substantive theorizing firstly, represents only one way of conducting research; secondly, explores socially important events and processes; thirdly, probes a contextualized, limited area, fourthly, requires an comprehensive exploration of an area; and finally, is an dynamic process and not static product. These tenets reflect Glaser and Strauss’s (1967, p. 34) view on substantive theorizing where they believed a substantive theory “helps to generate new grounded formal theories and to reformulate previously established ones.”

3.4.3 Justification for using the Strauss and Corbin (1990) grounded theory method for this study

Strauss and Corbin (1990, p. 26) contend grounded theory can be applied successfully by individuals of many disciplines because the procedures of the method are not discipline bound. Despite this observation, the evidence of its use and application in various non-sociology studies for example, in family business research remains limited. However, the evolving status of research of family business makes it, according to Partington (2000, p. 92) “appropriate for researchers to put more effort into building new theories from empirical data.” Douglas (2003, p. 51) advocates for the use of grounded theory methodology in management research in that, “micro level concerns such as complexity and context and other unique variables [need] research methods that explicate interpretive understanding and accounts for what is occurring and why.” As such, the grounded theory has the inductive capacity to elicit “deep rather than general connotations” (Douglas, 2003; p. 51).

Daly (1992, p. 4) believes grounded theory facilitates the construction of understanding and knowledge, so as the seeker of those realities, the research participants in this study were able to present their reality based on individual and shared experiences. Mkabela (2005, p. 180) highlights that “researchers should actively be involved in to produce knowledge suited to the cultural and social context in which they operate.” Thus, I believed the grounded theory method could

accommodate the ontological and epistemological issues of African-centred research and the five criteria suggested by Reviere (2001, pp. 710-720).

Reviere (2001, pp. 710-720) identified five criteria that could be used to judge research conducted with the Afrocentric considerations, which include *ukweli*, *kujitoa*, *utulivu*, *uhaki*, and, *ujamaa*. *Ukweli* dictates that research should be grounded in the experiences of community members. *Kujitoa* urges researcher commitment to research objectives and outcomes, *utulivu and uhaki* require that the researcher be fair and just in their research procedures and should strive to create harmonious relationships. *Ujamaa* stresses the importance for researchers to immerse themselves in the research and that theory and practice be informed by community interests. These will be discussed in more detail in section 3.7 (Judging the credibility of a grounded theory study).

In addition, there was little research conducted in the area of succession planning and family business values in Black family-owned businesses. Although there are many organizational culture instruments that have been designed, the purpose of this research was to describe the process of succession planning and how family business values influenced the process and thus, would not be able to rely on a survey instrument to gain an understanding of the issues under study.

I decided to use the Strauss and Corbin (1990) grounded theory approach for this study because of its flexibility to research issues at both the macro and micro level (Miller & Fredericks, 1999, p. 550). My choice of the Strauss and Corbin (1990) approach over the Glaser approach to grounded theory was not because one approach was better than the other was, but because the former gave me a more structured approach, which I welcomed as a novice of the grounded theory approach. Despite criticisms levelled against this approach as presented earlier, some writers advocate its use for novice researchers using the methodology. In defence of the Strauss and Corbin (1990) grounded theory methodology, Partington (2000, p. 95) argues Strauss and Corbin (1990) apparently "attempt to present that original approach in a straightforward, proceduralized form, but without losing any of its comprehensiveness and intellectual complexity." However, Partington (2000, p. 95) also highlights the

difficulties researchers have had in using this approach because of the very same reason.

Other benefits of the Strauss and Corbin (1990) method, discussed by Partington (2000, p. 95) are firstly, what is termed the 'seductive appeal' of this method, especially for novice researchers who desire the need for their research not to be criticized as lacking in rigour from established positivist researchers. In addition, Partington (2000, p. 95) argues for greater consistency in qualitative research suggesting that, "if we are to build in the work of others we need common, explicit, practical methodological ground."

3.5 THE RESEARCH PROCESS

Charmaz (2001, p. 245) explains the grounded theory process as one where the researcher begins "with individual cases, incidents and [develops] progressively more abstract conceptual categories to synthesise, to explain, and to understand [the] data and to identify patterned relationships within it." It is against this background that I will detail the research process followed in this study. It is important to note that although I am presenting the sampling process, data collection, and data analysis as separate sections to facilitate reading, in reality, these aspects occurred simultaneously. The discussion of the research process begins with an overview of the sampling procedures, followed by a discussion on the data collection procedures, and finally, the data analysis procedures associated with the grounded theory method that I used in this study.

3.5.1 Sampling process

The purpose of adopting a grounded theory method, as articulated by Strauss and Corbin (1990, p. 24) "is, of course to build theory that is faithful to and illuminates the area under study." In addition, the grounded theory method is located within the qualitative research paradigm thus, these two issues are important when considering sampling. The issue is not about how many people, places or events to consider in the sample but rather the focus in the grounded theory method is on "identifying,

developing, and relating **concepts**" (bold added) (Strauss & Corbin, 1990, p. 177). Thus, to be able to do this, *theoretical sampling* is used in the grounded theory method (Glaser & Strauss, 1967; Strauss & Corbin, 1990). Strauss and Corbin (1990, p. 177) describe theoretical sampling as "sampling on the basis of concepts that have proven theoretical relevance to the evolving theory." This sampling approach facilitates the researcher to generate "to the fullest extent, as many properties of the categories as possible and that will help relate categories to each other and to their properties" (Glaser & Strauss, 1967, p. 49).

Therefore, regardless of the grounded theory method, it is difficult to ascertain the actual sample size before the commencing the research (Taylor & Bogdan, 1998, p. 93), thus, it is unlikely that a researcher, as suggested by Creswell (1998, p. 56), typically conducts "20-30 interviews based on several visits to the field to collect interview data to saturate the categories." Both parties – Strauss and Corbin (1990) and Glaser and Strauss (1967, p. 61) share the view that a researcher can stop sampling once the categories have been saturated, that is, where additional data is not providing new insights on the emerging theory.

A feature of the Strauss and Corbin (1990) approach to grounded theory is that sampling is "open to those persons, places, situations that will provide the greatest opportunity to gather the most relevant data about the phenomenon under [study]." While it may be true that the participants have limited access to data captured in memos (Hall & Callery, 2001, p. 261), my experiences were contrary to this notion. In my study, it was often the participants who would point me to other people who they believed would provide me with more information. In addition, I shared aspects of the theory as it was developing with some of the participants and asked for their inputs.

Initially, purposive sampling was used to identify the participants that would provide the most appropriate information. Bless and Higson-Smith (1995, p. 95) suggest that the "great danger in this type of sampling is that it relies more heavily on subjective considerations of the researcher than on scientific criteria." However, this was not regarded as a shortcoming because it was acceptable in terms of theoretical sampling. The initial participants I selected were those individuals who met the definition of a

Black family-owned business presented in Chapter One. I made use of a database that had information on individuals or families who had attended a workshop conducted by Old Mutual on family-owned business in South Africa. From the database, only Black individuals were selected and contacted to arrange for an interview.

The potential interviewees were telephoned and asked if they were a Black family-owned business and only those who considered themselves a family-owned business were asked to participate in the study. In addition, the potential participants were provided with an overview of the research to allow them an opportunity to make an informed decision about giving their consent to participate in the study. Furthermore, I purposefully selected individuals that were geographically close to each other so that I would be able to interview as many people as possible given the high costs associated with conducting face-to-face interviews. To this end, nine interviews were secured in different parts of South Africa; namely, Kimberley, Klerksdorp, Polokwane, Thoyoandou, Nelspruit, and Hazyview and interview times were arranged. Of the nine initial interviews set up, two were cancelled because the individuals had to attend to other business.

I decided to name the participants so that the different voices could be heard. However, to maintain anonymity, the participants were given a pseudo name and in addition, you will find that I refer to some of the participants on a first name basis and others on a more formal basis. The reason for this distinction is that culturally, it would be disrespectful to refer to elders on a first name basis. The participants who I refer to on a first name basis either had asked to be referred by first name or were known to the interviewer on a first name basis. The profile of the participants is done at various phases that they became involved in the study.

3.5.2 Data collection procedures

The main data collection procedure I used in this study was in-depth interviewing, driven by firstly, the research problem and secondly, the research method. Holstein and Gubrium (2003, p. 3) define interviewing as "a way of generating empirical data about the social world by asking people to talk about their lives." Taylor and

Bogdan's (1998, p. 88) explanation of the in-depth interview as "a conversation between equals rather than a formal question-answer exchange" accommodated the epistemological assumption of qualitative research and that of the Strauss and Corbin (1990) grounded theory method. In this study, I used in-depth interviewing to firstly, "learn about events and activities that cannot be observed directly" (Taylor & Bogdan, 1998, p. 89) and secondly, to explore the phenomenon given its limited research.

King (2004, p. 11) presents the main goals of any interview in qualitative research as to firstly, to view the research topic from interviewee's perspective and secondly, to understand how and why that perspective has emerged. Thus, King (2004, p. 11) posits, to achieve those goals, the relationship between the interviewer and interviewee should be a balanced one where the interviewee is considered as an active shaper of the interview process and not restricted to responding to the interviewer's pre-set questions. A benefit of using qualitative research interviews as a data collection method was the flexibility (King, 2004, p. 20) it gave me because as the study evolved and progressed I was able to identify the participants who could provide me with the information. As a result, I did not find myself in a situation where I had collected all the data at once and then find that I now needed additional information. Furthermore, I found that qualitative interviewing had the capability to examine research topics where different layers of meaning need to be explored (King, 2004, p. 21).

To answer the research problem, and in line with grounded theory, the interviewees that were chosen emerged from the direction that the theory was developing. I made use of three types of interview approaches: face-to-face interviews, telephone interviews and group interviews and in all three approaches, semi-structured interviewing was conducted with the research participants. In this multi-informant study, I used an interview guide to ensure that key topics that were identified as critical to answering the research question were covered (Taylor & Bogdan, 1998, p. 105). However, with semi-structured interviewing, the guide was not regarded as a structured question schedule but accommodate the flexibility of how to phrase questions and when to ask questions (Taylor & Bogdan, 1998, p. 105).

Given that the research participants were from a number of ethnic backgrounds, different ages, and religious tradition, it was imperative to maintain a high level of sensitivity (Wenger, 2003, p. 125) during the interviews and participants were not pushed into elaborating on issues they did not wish to although this situation did not arise often. Ethical considerations in the study included obtaining informed consent from the participants by detailing the purpose of the research (Kvale, 1996, pp. 112-113) and in addition, participants were provided with the main areas that the research was to probe. Each of the interview approaches will be discussed in the following sections.

3.5.2.1 Face-to-face interviews

The first phase of interviewing focused on conversing with owners of Black family-owned businesses (see Appendix A for interview guide) during the months of June and July in 2005. The participants were sent the main areas that questions would focus on and this I believe led to the interviewees feeling comfortable during the interviews, as they had had an opportunity to think about the issues. The interviews lasted between 45-90 minutes and with the permission of the interviewees, the interviews were tape-recorded. Daly (1992, p. 10) raises several ethical issues arising in researching people. In cognizance of this, I informed the participants that the data would be used for research purposes and that anonymity would be maintained during the write up of the research. The questions were open-ended and allowed the individuals to talk freely about the issues at hand and where necessary, individuals were probed for clarity and further discussion. After each interview, a memo or summary of the key or striking aspects of the interview was written up where I also highlighted additional areas that I needed to probe in the next interview. The tape-recorded interviews were transcribed and the interview transcript was then mailed to the interviewees for verification of the transcript.

3.5.2.1.1 Profile of interviewees in the first phase of the research

The seven participants interviewed in the first phase were family business founders and included:

Table 3.2 Profile of first phase interviewees

Interviewee	Brief background information
Mr Phosa	Had four children but only had his son currently working with him in the business
Mr Mudau	Had six children and currently had three of his daughters working in the business
Mr Zama	Owned a business together with his wife and they had a little daughter
Mr Thuso	Owned several businesses where his wife managed one of the retail businesses and two of his three daughters were involved part time in the businesses
Mrs Jani	Was working on a regular basis with both her daughter and son although she had other children but they were still young
Mr Veli	Had recently started his family business and had a number of different ventures and none of his family was working with him
Mr Khoza	Owned a service-oriented business and delegated most of the operational responsibilities to his son

In the second round of interviews, I included non-family businesses owners because some issues had arisen from the initial interviews that needed clarity. I chose to address my queries with these individuals as I felt that they would provide valuable insights in aspects regarding family functioning. In addition, interviewing these individuals provided me with the opportunity to present my emerging ideas with respect to the research. The questions that I had asked in the first phase had evolved but some questions had been retained from the first phase in order for me to check for variation or similarities to the initial interviews (see Appendix B for interview guide).

3.5.2.1.2 Profile of interviewees in the second phase of the research

The two non-family businesses were interviewed in August 2005 and were:

Table 3.3 Profile of second phase interviewees

Interviewee	Brief background information
Andile	He was a working father of one who had a deep understanding of African tradition
Joseph	A researcher with whom I spoke to about issues pertaining to the research

The use of face-to-face interviewing in this study resulted in the following advantages identified by Shuy (2003, p. 179). Firstly, research participants provided self-generated responses because they were not guided by predetermined responses. Secondly, I was able to probe complex issues with the participants and where sensitive questions were asked, participants had the time to think of their response and decide if they wished to respond to the additional questioning. Finally, I was conversing with research participants about their family businesses, which they had an in-depth knowledge. Thus, participants were able to provide answers that were more accurate based on their own knowledge, experiences, and actions. However, the disadvantages of face-to-face interviewing included the amount of time and cost (Shuy, 2003, p. 175; Gillham, 2000, p. 9) spent in the field and travelling to research participants, particularly in South Africa where participants were geographically dispersed.

It was during my second round of interviews that I met two students, who themselves were from family business backgrounds and we started talking about my research. From our conversations, they started telling me of several family businesses that they knew of and suggested that I talk to them. These two students spoke to their family members who in turn provided them with names of other family businesses. As I was not in a position to conduct face-to-face interviews, I decided to use telephone interviewing to collect data in the next round of interviewing.

3.5.2.2 Telephone interviewing

Shuy (2003, p. 175) highlights that the inordinate amount of time and effort spent collecting data in qualitative studies “can make face-to-face interviewing impractical.” In my experience, I found that it was expensive and given my work commitments, I knew that it would be difficult to conduct face-to-face interviews that were not within the region I resided in. The grounded theory method has several phases to it and because data collection and analysis occurs simultaneously, one cannot collect all the data at once because the emergent theory drives the selection of the participants that need to be interviewed in the next stage. To avoid premature closure on the data collection and analysis, I needed a research strategy that would provide high quality data, thus, I settled on using telephone interviewing. Shuy (2003, p. 178) identifies the following advantages of telephone interviewing, namely – telephone interviewing reduces interviewer effects, improves delivery by the interviewer, improves costs efficiency and quicker results can be obtained. However, one may then argue that these advantages appear to favour a structured interview and not a semi-structured interview, which would yield the rich data required for a qualitative research study.

The challenge that arose from the decision to use telephone interviewing to benefit from the advantages of the strategy was that of creating a natural context in which interviewees would provide useful information. Looking at the list of names, I noticed that language could be an area that I could use to create a more natural environment by asking people who spoke the same language to conduct the interviews. In addition, I could also use the two students who had provided me with the list of names to interview the people they knew as I believed that this would create a more natural setting for the participants as they would be talking to someone they knew. Three SeSotho-speaking students agreed to conduct telephone interviews with the participants who spoke SeSotho, while the two students who had provided me with a list of family businesses agreed to conduct interviews with those family businesses with which they had a relationship. I believed that these strategies would elicit richer data because the participants would feel more comfortable.

As part of ensuring ethical practice in the use of telephone interviewing, potential participants were contacted and consent was sought regarding their participation in the study. In addition to seeking consent, the purpose of the interview (Gillham, 2000, p. 86) was clearly communicated to the participants to assist them in making their decision and once the participants had agreed, the participants were asked to provide a time that was suitable to them.

I met with the students and I provided them with a background of the study. We spent time going through the questions, which had once again evolved (see Appendix C for interview guide) and addressed any queries that arose. I also spent time explaining to the students how to conduct an interview, we had a practice run where I explained how to probe and seek further clarification. In addition, I emphasized the need for interviewers to ask for permission to record the interview (I had managed to obtain a speakerphone for this purpose and I demonstrated how to use it) and provide a background about the research. Furthermore, I asked the interviewers to inform the participants that if they wanted a copy of the tape this could be arranged and finally, inform the participants that the information would be used for research purposes only and their anonymity would be maintained. I also emphasized to the interviewers to respect someone's wish if they did not wish to provide additional information when probed. The other interviewers conducted 11 interviews during the month of September 2005 and in all cases, the participants gave permission for the interview to be recorded (see Table 3.4).

Table 3.4 Profile of third phase interviewees

These interviewees were founders of family businesses including:

Interviewee	Brief background information
Mr Nene	Owned a business and one of his children working in the business occasionally
Dumisani	Worked with his siblings and mother in the family-owned he started a few years back
Jabulani	Started a business and was currently working with his brother
Zolani	Started a business and his brothers worked with him
Mr Puma	Owned a shop and had an 18 year-old son who helped in the business on occasion
Kago	Managed and owned a family business with his siblings
Mrs Kgosi	Started her business and her young sister occasionally helped out in the business
Mrs Sono	Was a veteran of business and none of her children or family members were currently working in the family business
Mr Hana	Worked with his fiancé, brother and sister-in-law in the family business
Wycliffe	Currently worked with his brother and sister in the family business, which he had started
John	Started the family business to become independent and currently worked with his siblings

3.5.2.3 Group interviewing

As the theory developed, it became acutely obvious that a 'voice' that was lacking representation in the study was that of the children of enterprising families. In addition, interviewing these children provided me with another perspective to understand the research question given the significance of the family business in their lives as children of enterprising families. In addition, the extent of their discussion in daily conversations or family interactions (Eder & Fingerson, 2003, p. 33) of such topics was not clear, therefore required exploration. Group interviewing was used to elicit information from two groups of young people who were in family businesses (see Table 3.5 for their profile).

Table 3.5 Profile of fourth phase interviewees

Interviewee	Brief background
Group interview 1: Ntombi and Angus:	They both came family businesses, with Ntombi's family being involved in farming and Angus in a tourism-related business
Group interview 2: Vusi, Vuyo, and Mpumi	all came from family businesses with their families being involved in the retail business

Initially, I conducted the group interview with two of the participants and I observed how that the participants would look to each other when providing answers. Wenger (2003, p. 124) comments that despite a research participant's age, a challenge is to "make an interview feel like a conversation." In addition, I was a lecturer and so I began to wonder if this in fact did not hinder their interaction with me as there might be that natural power distance between them and me given that I was a lecturer.

Given that a feature of qualitative research is conducting research in a natural context (Eder & Fingerson, 2003, p. 35), I then decided that the next group interview (comprising three young people from family businesses) should be in a more natural setting and following Eder and Fingerson's (2003, pp. 35-36) suggestions this was

achieved in several ways. Firstly, I asked a peer to conduct the interview as this was considered an effective way of reducing the power distance between the interviewer and the interviewees. I briefed the interviewer about the nature of conducting group interviews and information pertaining to ethics, purpose of research was discussed with the interviewer. In addition, the interviewer was able to share his experience with the interviewees as he too was from an enterprising family and this in turn allowed the group interviewees to exchange their experiences (Wenger, 2003, p. 124) with more ease. Thirdly, using a peer interviewer meant that the interviewer and interviewees understood the communicative rules and norms among themselves as peers, which would encourage the research participants to express themselves freely. Finally, the natural setting of the interview was enhanced by interviewing participants who came from a family business because they were familiar about aspects of a family business.

3.5.3 Procedures used for data analysis

Strauss and Corbin (1990, p. 57) present the aims of grounded theory data analysis procedures as follows, firstly, the data analysis procedures seek to generate theory and not limit analysis to theory testing. Secondly, the procedures provide rigour that is required in the research process. In addition, the procedures enable researchers to minimise biases and break assumptions that may arise during research, and finally, procedures provide a platform upon which a rich, explanatory theory representing the realities and contexts of participants can be developed. An additional aim of analysis is to analyze processes in the data, thereby moving from a static to a dynamic data analysis (Charmaz, 2001, p. 252). The following sections will detail the data analysis procedures that were used in the study based on the data analysis procedures developed by Strauss and Corbin (1990).

3.5.3.1 Open coding

Strauss and Corbin define open coding (1990, p. 61) as the “process of breaking down, examining, comparing, conceptualizing, and categorizing data.” The open coding procedures, which I used in this study, are explained in the following sections.

3.5.3.1.1 Open coding techniques

Using Strauss and Corbin's (1990) approach to open coding, I went about engaging in the process of identifying categories where "[themes], or categories are the classification of more discrete concepts" (Ryan & Bernard, 2003, p. 87) and the "classification is discovered when concepts are compared against another and appear to pertain to a similar phenomenon" (Strauss & Corbin, 1990, p. 61). A concern noted by Ryan and Bernard (2003, p. 86) is that one "rarely [sees] descriptions (even in footnotes or appendices) of how researchers came to discover the themes they report..." Thus, when coding sentences and paragraphs (Strauss & Corbin, 1990, p. 72), I used a variety of techniques, namely repetitions, theory-related material, metaphors and analogies, similarities and differences, and linguistic connectors (Ryan & Bernard, 2003, pp. 89-93) in doing the open coding. Each concept was written on the interview transcript and at times, I would describe what the data was about and then refine the description at a later stage as my coding skills improved. The following sections will explain how each technique was used in doing open coding by means of providing interview data to illustrate the technique.

Themes that arise from *repetitions* are regarded as the easiest to identify because the same concept occurs frequently in a text (Ryan & Bernard, 2003, p. 89). For example, Mr Phosa repeatedly highlighted the 'privileges' one gets when working in a family business and privileges took on several forms, such as monetary rewards, opportunities to contribute one's ideas in the business, and building loving relationships with family members involved in the business. The technique of looking for *theory-related concepts* was quite useful and as suggested by Spradley (1979, in Ryan and Bernard, 2003, p. 93); I searched for evidence of "social conflict, cultural contradictions...things that people do in managing impersonal social relationships ... information about how people solve problems." For example, Mrs Kgosi shared her experiences in dealing with conflict between her and her younger sister who helped her in the business from time to time. She said how "there are never any times where the problems have been so big that they needed outside assistance. The way I see it, when I tell my sister right from wrong and when I yell at her, she understands – she has taken me to be like a parent."

States, they became a lot more open minded about things that parents here in South Africa might be cautious about in trying to look out for their kids.

Mrs Sono had the following to say about her upbringing:

I grew up a hard way. I was also cooking at home; I could do anything that was done by a boy because my brother was far younger than me and my elder brothers lived with relatives. So my mother used to get me to do things; I never had time to play like other children when they came from school. After school, I'd go and collect the cattle and bring them back home and then start milking them and then go to the river to collect water.

There are more differences than similarities between the two examples, for example, Ntombi appears to have enjoyed a relatively easier upbringing compared to Mrs Sono. These differences can be attributed to her being the last born, her parents exposure to a different child-rearing culture while Mrs Sono, although not the youngest, had more responsibilities because her brothers lived with other relatives.

The use of *linguistic connectors* proved to be of significance in helping me identify themes. Ryan and Bernard (2003, pp. 91-92) provide a comprehensive list of such connectors and explanation of what they might point to in the data. Words and phrases, which are associated with being indicators of causal conditions, include 'because', 'since' and 'as a result' while 'if', 'then', 'instead of' may point to conditional relations, time-oriented indicators include words such as 'before', 'after', 'then' and typology categories are represented by the phrase 'is a'. In addition, Casagrande and Hale (1967, in Ryan & Bernard, 2003, p. 92), offer other relationships as shown in Table 3.6.

Table 3.6 Examples of concept identifications used in data analysis

Concept/Theme	Example
Contingencies	I have a plan and those that will take over are those that are interested... But I have established a company so that the business does not stop even if my children or family is not interested in taking over. [Mrs Sono]
Examples	There was a time where you bought anything in bulk and you paid for it in 30 days, now the world has changed. As a business, you always change, these days you are losing a lot. You can give a guy nice stock and so on and then the next time you come back the shop is closed, he's disappeared... [Mr Phosa]
Class inclusions	I consider my brothers, sisters, and parents to be family. It is just that my family is not that big so we tend to be very close. [Zolani]

3.5.3.1.2 Constant comparison and open coding

I had several pages of open codes or concepts and it was through constant comparison analysis and theoretical sensitivity that I started to develop categories, described as a classification of concepts that appear to relate to the same event (Strauss & Corbin, 1990, p. 61). Glaser and Strauss (1967, pp. 32-33) suggested that the use of constant comparison results in the generation of two types of theory – substantive and formal and stressed regardless of the type of theory, the theory should “be grounded in data.” In addition, Boychuk Duchscher and Morgan (2004, p. 607) state that constant comparison analysis is the main data analysis strategy despite “the researcher’s philosophical or research orientation.” This is one of the tenets of grounded theory where the founders of grounded theory concur despite their approaches because fundamental to grounded theory methodology “is an absolute adherence to the inductive nature of the analytical process” (Boychuk Duchscher & Morgan, 2004, p. 607). This is in support of Strauss and Corbin’s (1990, p. 62) claim that constant comparative analysis forms the basis for the coding process.

3.5.3.1.3 Theoretical sensitivity and open coding

In their grounded theory method, Strauss and Corbin (1990) advocate for some level of theoretical understanding to assist with data analysis. Thus, writers such as Seldén (2005, p. 123) emphasize that “pre-understanding is vital in preparing an objective for a research project and entails being more or less aware of the accumulated knowledge and research results of others, preliminary results, preconceptions, assumptions, bias, and prejudice. This can be seen as an inoculation against naïve empiricism and everyday understanding.” Open coding enabled me to start developing concepts and eventually categories from the interview data I was working with. To be able to probe the data and to start ‘seeing’ other concepts that may have been hidden because of my inexperience of using grounded theory, I needed a technique that would assist me in this regard.

Strauss and Corbin (1990, p. 62) argue that besides doing constant comparison analysis, asking questions is another useful technique to assist with category discovery and suggest the use of theoretical sensitivity. They describe theoretical sensitivity as “the attribute of having insight, the ability to give meaning to data, the capacity to understand, and capability to separate the pertinent from that which isn’t.” I used the questioning technique of asking “Who? When? Where? What? How? How much? And Why?” (Strauss and Corbin, 1990, p. 77) to try to breakdown the interview data further. The following example from the interview with Andile illustrates this technique. Theoretical sensitivity enabled me to probe the data and was useful to discover new concepts in the data. Initially, I had coded this paragraph ‘traditional ceremonies’ but after using the questioning technique, additional information began emerging from the data.

Andile on an aspect of tradition shared:

	Initial Concept
You <u>have to talk to your ancestors, tell them</u> what	
it is that you are doing, <u>what is the purpose</u> , what	Informing (why)
is it that you are trying to achieve, <u>then the</u>	Purpose (why)
<u>womenfolk will be a part of that</u> . That is the only	Inclusion (who)
time that we congregate, it is <u>usually blood</u>	
<u>family, all the others that are there to assist will</u>	Family only (who)
<u>be sitting outside</u> , and as family, you announce to	
the entire family that this the ceremony that you	
are doing. Even if it is a <u>funeral</u> , there will be	
prayer, but when you are unveiling a tombstone	Type of ceremony
or breaking the morning fast, you announce what	(what)
it is you are doing and <u>after that you go back to</u>	Clear
<u>your silos with the men doing their jobs and</u>	responsibilities
<u>women doing their jobs</u> . [Andile]	(who, when)

3.5.3.1.4 Developing categories

Initially, in this stage I identified seven categories: support, well-being, initiating, nurturing, preservation, resilience, collective learning. Some of the initial categories fell away or were integrated into other categories when I started to develop the category in terms of properties and dimensions. Properties are the characteristics that define a category while dimensions represent the continuum along which a property is positioned (Strauss & Corbin, 1990, p. 69 – see section 3.6.3.4 for example). The properties and dimensions of categories are important for the identification of relationships between the discovered categories. The final list of key categories that emerged in this study included *being proactive*, *resilience*, and *family business context* and these are explained in Chapter Five.

Although open coding was the first procedure in data analysis, as analysis occurred, I began to do aspects of axial coding.

3.5.3.2 Axial coding

Perhaps at the heart of the debate about which grounded theory methodology to follow is Strauss and Corbin's (1990) axial coding stage of data analysis (Boychuk Duchscher & Morgan, 2004, p. 608). Glaser (1992, in Boychuk Duchscher and Morgan, 2004, p. 608) is of the view that the use of the paradigm model is that it forces "a full conceptual description of data rather than articulate emergent theory." Strauss and Corbin (1990, p. 96) describe this level of coding as "a set of procedures whereby data are put back together in new ways after open coding, by making connections between categories" and in their method, this is done through the paradigm model (see Figure 3.1).

Figure 3.1 The Paradigm Model

(A) CAUSAL CONDITIONS > B) PHENOMENON > (C) CONTEXT >
(D) INTERVENING CONDITIONS > (E) ACTION/INTERACTION STRATEGIES >
(F) CONSEQUENCES

Source: Strauss & Corbin (1990, p. 99)

The purpose of axial coding is detailing a category in terms of the conditions that lead to its development, the context within which the phenomenon is located, the action/interaction strategies that used to manage, perform, or respond to the phenomenon within a specific context, and the consequences of the actions taken (Strauss & Corbin, 1990, p. 97). Although the paradigm model appears to follow a linear line, the actual application of the model was complex because I had to do four simultaneous activities. These included, firstly, hypothetically relating the subcategories to a category by means of applying the paradigm model, secondly, verifying those hypotheses against actual data; thirdly, continuously looking for properties and dimensions of the categories and subcategories, and finally, beginning to explore variation within the data (Strauss & Corbin, 1990, p. 107).

The following is an example of one of my first attempt at axial coding.

Table 3.7 Example of axial coding

Casual condition(s)	Founders wanted the business to exist beyond their initial involvement		
Phenomenon	Continuity		
	Properties	Dimensions	
	Purpose	Intended	Unintended
	Commitment	High	Low
	Support	Visible	Invisible
Context	Planned change Commitment		
Intervening conditions	Family life cycle Leader's values Business life cycle Availability of successor		
Actions/Strategies	Planting the seed Nurturing Empowering		
Consequence	Continued family ownership		

This was the initial attempt and was revised several times before arriving at the final framework. Thus, the questioning technique used in open coding was used extensively in this stage of coding to assist in developing the categories further and it was through this process that new categories emerged, which captured the essence of the data. The final framework integrated the key categories identified from the data (see Chapter Five for discussion). The final framework looked as follows:

Table 3.8 Final axial coding framework

Casual condition(s)	Being proactive		
Phenomenon	Passing the Spear		
	Properties	Dimensions	
	Purpose Planned change	Intended Largely planned	Unintended Unplanned
Context	Definition of family Organizational readiness		
Intervening conditions	Family business values Resilience Being proactive		
Actions/Strategies	Showing the spear <ul style="list-style-type: none"> - Bringing the successor into the family business - Managing the family-business interface using relationships Explaining the spear <ul style="list-style-type: none"> - Sharing knowledge - Teaching the successor Sharing the spear <ul style="list-style-type: none"> - Sharing responsibilities - Learning from the successor 		
Consequence	Keeping the family on the throne		

3.5.3.3 Selective coding

The outcome of the coding process in grounded theory is the selection and identification of the core category (i.e. the phenomenon) using the selective coding process (Strauss & Corbin, 1990, p. 116). The core category is the central event around which the other categories are integrated (Strauss & Corbin, 1990, p. 116). Selective coding entails explaining the story line (i.e. the phenomenon), using the

paradigm model to relate the subcategories to the core category, relating categories at a dimensional level, using data to verify those relationships, and refining any categories that are not saturated (Strauss & Corbin, 1990, pp. 117-118). The emerging story line of the research was:

The story line

The story that is developing so far is that the founders of family businesses want to pass their business to their family at some point. The founders appear to follow a process of preparing the family member that they have identified by adopting several strategies. However, what is interesting is that there are differences between the founders in terms of selecting the person to take over the leadership of the business.

The founders appear to show different types of behaviour in terms of the person that they chose in that some founders demonstrate signs of adhering to tradition, while others are progressive in terms of their choice of a successor and others appear to be experimenting or exploring in terms of successor choice. Once the founders have selected the successor, they begin implementing strategies aimed at getting that person competent so that they will be able to take over. The rate at which the founders are able to implement the strategies is dependent upon the availability of a successor, resources, and the ability for the business to accommodate this person.

The strategies adopted are aimed at introducing the successor to the functioning of the business, develop them in terms of skills and competencies, and provide them with an opportunity to test out their new skills and competencies within the work context. However, the implementation of these strategies is influenced by the founder's values regarding planning for the successor to be the leader and the ability of the family business to handle the planned stage. In addition, an additional process drives the progression between adopting the different strategies, where those founders who are able to identify an opportunity, initiate it, and monitor it are able to take the next step into implementing the new strategies that will contribute in the preparation of the successor. The purpose in undertaking this process is for the founder to contribute to the continuity of the family business because they would have shared their experiences, skills, and knowledge with the successor.

Through refining and integrating the categories, the core category, *Passing the Spear* and three key categories, *family business context*, *resilience*, and *being proactive* were identified (see Chapter Five) and were used together with the family business value sets identified in Chapter Four to develop the theory presented in Chapter Six.

3.5.3.4 Memos and diagrams

Memos, a written form representing conceptual thinking about the data were used to record the outcomes of the different types of coding explained earlier while diagrams graphically presented the relationships between the identified categories (Strauss & Corbin, 1990, p. 202). The procedures of memoing and diagramming enabled me to maintain a record of my analysis and assisted me in several phases of the research such as sampling decisions and coding the data. The memos contained summaries of interviews, categories and areas that I needed to probe that in turn provided me with direction on the next person I needed to interview. During open coding the initial categories were analyzed using properties and dimensions and resulted in a code note representing the category. The following is an example of a code note developed during open coding:

Figure 3.2 Example of a code note

Date: 15/09/2005		
<u>Code Note: The properties and dimensions of the category Support</u>		
The category of support emerged from several of the interviews I analyzed. For example, Mr Phosa shared: "I've been looking after them, nurturing them, supporting them for all these years, so I don't want to send them into the wild." Support has several properties, which can be dimensionalized as follows:		
Properties of support	Possible dimensions	
Sources	Internal	External
Impact	Large	Small
Types	Reciprocal	Obligatory
Networks	Closed	Open
Nature	Visible	Invisible

In the axial coding stage, I used memos to represent the developing theory based on the paradigm model and I found that my initial diagram evolved as I was trying to identify the core category (see Table 3.7). In the final stage of coding – selective coding, I used the memos to capture the evolving the theory. An example of a memo is the story line that I presented earlier in the chapter (see section 3.5.3.3).

3.6 JUDGING THE CREDIBILITY OF A GROUNDED THEORY STUDY

Madill, Jordan and Shirley (2000, p. 1) state that qualitative methods have been “criticized for the space they afford the subjectivity of the researcher” given the extent to which interpretation is left to the researcher. However, Creswell (1998, p. 197) argues that there are several perspectives regarding judging the credibility of qualitative research. For example, Howe and Eisenhardt (1990, in Creswell, 1998, p. 195) present the five quality criteria they argue can be applied to all research paradigms.

The first criterion is whether the research questions are aligned to the data collection and data analysis methods. In this study, the research questions did not align themselves to a logical deductive approach but rather were inductive in nature. Thus, by selecting interviewing as the main data collection method, which allowed the researcher to collect data that was rich and descriptive in nature, the study met the first criterion on judging quality. In terms of data analysis, this study meets the first criterion in that the data analysis allowed the research questions to be answered through an inductive process. The next criterion used to assess quality is the degree of competence applied by the researcher during data collection and analysis processes. In this study, this criterion was met by the researcher closely following the data collection and analysis methods developed by Strauss and Corbin (1990) in their grounded theory method. The third quality criterion is examining if the researcher has clearly articulated assumptions such as the researcher’s subjectivity in the research, for example and this was discussed section 3.4.1.2. The other criterion they evaluate research on is the strength of the study based on its use of accepted theoretical explanations and this was done by using extant literature to explain this study’s

findings (see Chapter 7). The final criterion is the value that the study will have for practice while following due ethical processes throughout the study. The study's implications are discussed in Chapter 8 and ethical considerations followed in the study were detailed in certain sections such as maintaining anonymity of research participants and seeking their consent to participate in the study.

More specifically to qualitative research, Lincoln and Guba (1985, in Creswell, 1998, p. 197) suggest that alternative terms such as trustworthiness, credibility, dependability, or confirmability should be used to explain the validity of the research. Several procedures were used to ensure the quality and these are explained in the following sections.

3.6.1 Procedures of ensuring credibility in the Strauss and Corbin (1990) grounded theory method

The original criteria used to judge the credibility theory generated by using the grounded theory method formulated by Glaser and Strauss (1967) included fit, work, relevancy, and modifiability. These criteria are explained by Partington (2000, p. 93) and Lomborg and Kirkevoid's (2003, pp. 191-192) as follows: by fit, the founders were emphasizing that the categories should emerge from the data and not from existing theoretical bases. This criterion was aligned to their belief that a researcher should not have any pre-conceived notions about a phenomenon before entering the field. The criterion of work was used to evaluate a theory's capacity to explain, predict, or interpret the phenomenon under study while relevancy was used to ascertain if the theory was applicable to the actions of the people under study. The final criterion of modifiability focused on the flexibility of a theory to accommodate change as new data or perspectives of the theory emerged. The emergence of the Strauss and Corbin (1990) approach to grounded theory led to the development of their own criteria that could be used to judge the credibility of a grounded theory study using their method. Strauss and Corbin (1990, pp. 254-257) present a set of questions that can be used to judge the quality of a grounded theory study and these will be explained in the following sections, describing what I did in this study to meet the criteria.

The first question asks if concepts generated are grounded in the data and it is expected that the concepts used in the study can be traced to some source within the data. To this end, in reading the findings (see Chapters Four – Six), evidence of meeting this criterion can be found as the concepts can be related to the data collected. The second criterion is that a good grounded theory needs to have many conceptual linkages and categories that are well developed. This was done in this study by following the paradigm model and identifying properties that I dimensionalized to provide the theory with its explanatory power. The next criterion is that of accommodating variation into the theory and this was done by establishing several contexts in which the theory can be used to explain the phenomenon. The fifth quality measure of a grounded theory study is the integration of the broader conditions that influence the phenomenon under study and this was done by making use of theoretical sensitivity, which uses a questioning technique. The final criterion used to assess the quality of a grounded theory is the identification and explanation of a process and this is presented as *Passing the Spear* in Chapter Six.

3.6.2 Other quality procedures used for ensuring credibility

In addition to the quality procedures outlined by Strauss and Corbin (1990, pp. 254-257), I implemented procedures outlined by Creswell (1998, pp. 202-203) and these included triangulation, peer review, member checks, and transcription quality. The application of the criteria presented by Reviere (2001) in this study for judging credibility of African-centred research will also be reviewed.

3.6.2.1 Triangulation

Meijer, Verloop and Beijaard (2002, p. 146) describe triangulation as a “process by which a researcher wants to verify a finding by showing that independent measures of it agree with or, at least, do not contradict it.” However, the purpose of triangulation in this study was not to make the research more valid but to gather information from different respondents so that “the picture may become more complete...” (van der Mescht, 2002, p. 48). This use of triangulation was aligned to the ontological and epistemological assumptions of qualitative research (van der Mescht, 2002, p. 48).

To achieve triangulation, data was collected from different participants, namely family business founders, children from enterprising families and other individuals who were able to provide additional information regarding the phenomenon under study. In addition, I used other interviewers to collect data. These interviewers were able to access the interviewees from a language perspective or from a familiarity perspective, which facilitated the creation of a natural setting where participants were able to express themselves more fully and with ease.

3.6.2.2 Peer review

The procedure of a peer review was used to assist me in ensuring credibility of the research process. A colleague who too had used the Strauss and Corbin (1990) grounded theory method became the peer reviewer for my study to check my understanding and implementation of the grounded theory method. He would consistently question my interpretation and understanding of the method and in so doing, provided me with a platform from which, I could effectively use the method. The peer review procedure was particularly useful for a novice grounded theory researcher such as myself as I could rely on my colleague's experience and insight when I was unclear about the method and in so doing ensure that I did remain true to the principles of the Strauss and Corbin (1990) approach to grounded theory.

3.6.2.3 Member checks

The next procedure I used to ensure credibility and quality of the study was through member checks. I believe that the nature of grounded theory facilitated the use of member checks as it provided me with numerous occasions where I could present my emergent findings and interpretations to research participants. After my first round of interviews, I engaged in both open coding and axial coding and I began to have some ideas regarding the developing theory. I was able to present this developing theory to the next set of participants where the participants provided me with some additional insights about the theory and questioned some of my interpretations. This process continued throughout the research process where possible. I presented my final findings and interpretations to various people, my colleague who was the peer

reviewer, a family business founder, a child of an enterprising family, and a non-family business individual. In this instance, I used member checks as a means of evaluating their understanding of the theory, its relevancy, applicability, and usefulness of theory in their understanding of phenomenon under study.

3.6.2.4 Transcription quality

Poland (2003, p. 267) probes the extent to which attention is paid to methodological issues pertaining to the transcription of audio-taped interviews in qualitative research given its importance for the interpretation and use in theory formulation. The focus of the probe is on ensuring credibility of the data during the transcription process by asking how the researcher can ascertain that their transcription of the data is what the research participant meant. To ensure the credibility of the transcriptions of the tapes in this study I would first listen to the tape to get a feel for the language and phrases used by the interviewee and make notes of phrases used differently. This was followed by transcribing the tape and finally, I would listen to the tape again with the transcription to check for accuracy.

For the interviews conducted in another language, the interviewers checked each other's transcription to ensure that the translation was as accurate as possible. As I had done with the interviewers prior to them conducting the interviews, we met and I provided them with direction as to how to transcribe a tape recording. This was done by going through the process I described earlier in this section. In addition, before each tape recording occurred, a quality check was done on the tape by recording a conversation for about a minute and then listening to the recording. As a result, two interviews were discarded as they were inaudible because of the telephone connection, however, the interviewers had made notes during the interviewing, and those notes were then used as part of the data collected. The final procedure used to enhance the credibility of the transcription was that I sent transcriptions to some participants to give them an opportunity to check the transcriptions and none of those sent out were returned for/with corrections.

3.6.2.5 Judging research conducted with Afrocentric considerations

As presented earlier in the chapter, the five criteria suggested by Reviere (2001, pp. 710-720) that could be used to judge research conducted with the Afrocentric considerations include *ukweli*, *kujittoa*, *utulivu*, *uhaki*, and *ujamaa*.

Ukweli dictates that research should be grounded in the experiences of community members. In this study, this was done by speaking to the people who actually owned the businesses to get an account of their experiences regarding succession planning in their businesses. This first criterion mirrors the criteria of the qualitative paradigm that the experiences of the individuals should be heard through their own voices. In addition, by extensively quoting the participants in the findings, I was able to present the multiple realities of the founders, children of family businesses and non-family business people. However, I could not adequately meet the criteria because the study focused primarily on the founders of family businesses.

Kujittoa urges researcher commitment to research objectives and outcomes. By having a clear research question guiding the research, I was able to ensure that I was answering the question and in addition, the grounded theory method encourages constant reviewing of the research question by the researcher. *Utulivu* requires that the researcher be fair and just in their research procedures and this was achieved in several ways. Firstly, the research participants were contacted and consent was sought for their participation in the study. Furthermore, the participants were provided with an overview of the research topic to make an informed decision regarding their participation. In addition, permission was sought from the participants to tape record the interview. In some instances, the founders were faxed the interview guide. Lastly, I ensured that I was just and fair in that the research participants remained anonymous when the findings were being presented.

Uhaki urges that the researcher should strive to create harmonious relationships with the participants and this was achieved by being polite and courteous during interviewing. In addition, when participants were probed further about an issue but

they did not wish to elaborate, their stance was respected. Furthermore, providing the transcripts to the interviewees and the use of member checks contributed to creating good relationships with the participants. *Ujamaa* stresses the importance for researchers to immerse themselves in the research and that community interests inform theory and practice. This was naturally done given that when conducting research in a qualitative paradigm, it is imperative to develop a deeper understanding of the context of the research. I believe that the study was of interest to the community given the social and economic importance attached to family businesses as contributors to the economic development of countries. In addition, it is anticipated that publishing the findings of the study will be useful for the family business community.

3.7 SUMMARY

In this chapter, the research methodology that was used to answer the research question in this study was presented. It was imperative to find a methodology that would accommodate a study that was aiming to understand both the family and business systems in relation to family business values and succession planning. In addition, considerations of African-centred research were important because there were methodological issues that I wanted to integrate in my study to guide me with researching Black family business owners.

The grounded theory method was identified as appropriate given its capacity to generate a theory grounded in the data and context. The research process that was followed in using the grounded theory method was presented. The use of examples in detailing the research process was done to allow the reader to understand my implementation of the grounded theory method used in this study. In addition, the examples provided the reader with an opportunity to see what was actually done to develop the final theory of succession planning in Black family-owned businesses. The findings of the study based on using the grounded theory method are presented in Chapters Four to Six.

CHAPTER FOUR

FAMILY BUSINESS VALUE SETS

4.1 INTRODUCTION

In this chapter, the findings to the first research sub-question “What are the major types of values found in Black family-owned businesses?” are presented. The chapter begins by describing a framework that was used to classify the values identified in this study. This is followed with a presentation and description of the different family business value sets (hereafter referred to as value sets) held by founders in this study based on the framework used to identify the values.

4.2 FRAMEWORK USED TO IDENTIFY AND CLASSIFY VALUES

The identification and classification of the value sets was done using a multi-level framework. In addressing the first research sub-question, I was interested in identifying that which was important to the family business and how this influenced the behaviour of founders. I wanted to be able to identify both family values and business values, which together would represent the family business values in this study. When the analysis began, it became evident that the family and business values were influenced by other values which I identified as cultural and personal values. Using these levels of values (i.e. family, business, cultural, and personal), I analyzed each interview transcript and I identified values within each level by asking the questions, “What is important to the founder/business/family, when was it important, how was it important, who was it important to and why?” Using a spreadsheet, I listed the values for each level for the first interview transcript and then using the constant comparison analysis (discussed in section 3.5.3.1.2); I filled out the spreadsheet for the remaining interview transcripts. In some instances, some additional values were found and I would list those on the spreadsheet and then go back to the other interview transcripts to check if those values were present, if not, then these became ‘distinguishing’ values.

From the analysis, common values among the participants emerged and will be presented in the following sections. The discussion will commence with a focus on the cultural values, followed by a discussion of the family values, then of the personal values, and finally, the business values identified from the data. It is important to note that while the values being presented in this chapter were those that were common among the founders of family businesses interviewed for this study, data from the young people interviewed as well as the non-family business participants was also used. The data from the young people and non-family business participants was used in particular to provide additional insight or to corroborate data regarding the cultural and family values identified by the founders of the family businesses.

4.2.1 Cultural values

From the interview data, cultural values were identified and were described by the research participants as those values considered important for the functioning of the society in which they were a part of and which an individual could not change. Andile eloquently explained how “societies set the rules of engagement. Those values determine the interaction between clans, co-families and between individuals and in that way, there is social stability.” The two main cultural values identified from the data were *Ubuntu* and *observing tradition* despite the participants’ cultural groupings.

4.2.1.1 *Ubuntu*

The participants shared several values that they considered to embody the philosophy of *Ubuntu*. Values such as respect, sharing, concern for others, acceptance, community, solidarity, and trust were the common values, and some examples will be presented to illustrate such values. Angus commented how *Ubuntu* was “that sense of community that you need to bring people together in South Africa, bring them up in a moral way, and teach them core values and rights.” For Mrs Jani, *Ubuntu* was “about caring for other people,” while for Mr Veli, he believed that “you should not be able to take *Ubuntu* out of a person because it is part of you.” Mr Thuso provided another

example of *Ubuntu* by providing an example of the values associated with *Ubuntu*, namely those of solidarity, sharing, and unity:

We were talking about *Ubuntu* yesterday with my business friends and we remembered the days when we were growing up. We were remembering that when we grew up, we grew up as one family but we were from different families. The other guy was Pedi, another Sotho, Zulu, or Xhosa, but when we went for supper, each would bring a plate and we would sit around a fire and eat from all plates and we would stand for each other. We did not know that some of the people that we grew up with were not our brothers but we knew that we were one family. *Ubuntu* is where you find that you can't let bad things happen to another person; he is a person just like yourself. You have to be there for him and he will also be there for you.

Mr Zama provided yet another value associated with *Ubuntu*, which emphasized community building. He shared:

Ubuntu is the understanding of other people and not just yourself. You have to outgrow your own level to understand other peoples' shortcomings and weaknesses and achievements. If one has not achieved and you measure them against yourself, then you make it your own responsibility to put them on the same level as yourself. In other words, you take that to be your own problem; in *Ubuntu*, you sympathize and you give help.

4.2.1.2 Observing tradition

The other main cultural value that emerged from the data in this study was that of observing tradition. This value was described by participants as knowing where one came from and was used as a point of reference in terms of how they related with other people. Mr Zama spoke of how "tradition is important because it's something that keeps us on track" while Dumisani said that tradition in his family was the "glue

that [made them] unique as a family.” Andile provided an interesting take on the value of observing tradition; he commented:

I always say that all Black people are schizophrenics. They have two personalities, because rest assured I am a completely different person when I am at home because it is different rules of engagement. For example, in the work environment, it is a boss/employee relationship, but back home, that means nothing if you are a boss in your business because when you get home there is a different pecking order. So it's not that I chose, that's who I am...The [Andile] who went to school and got urbanized is not a complete [Andile], it's the [Andile] who works, it's not the spiritual, social [Andile] who lives.

Some founders also observed tradition in terms of succession planning, where only their sons were considered for succession and examples of such founders were Mr Phosa, Mr Khoza, Mrs Jani, and Mr Mudau. Mr Mudau explained his choice of his son as the successor and explained:

According to our culture, he has taken my surname and my daughters, if they get married, they will go out, and they will not be considered as belonging to my family anymore.

4.2.2 Family values

In conversation with the study participants about family values, several values were identified from the data. Family values in this study were described by the participants as those values that governed family and contributed to the stability of the family in general and within a family business context. The main family values of *support, good relationships, closeness and love, trust and respect, spirituality, providing for the family, compromise, and teaching responsibility* are presented in the following sections.

4.2.2.1 Support

An important family value was support. Participants spoke of different levels and forms of support given under different conditions. In this study, support was classified into support provided or given by the nuclear family and support given by or provided to extended family. Similarly, the form of the support given or provided was classified into material and/or non-material support.

When it came to support in general, participants spoke of receiving non-material support, for example, emotional support, from their immediate family members. For example, Mr Thuso shared “when I have my stresses I have to go back to my family and they are the ones that have to comfort me when I have problems.” To Zolani, family support was important as evidenced by his comment that his “parents were not as supportive as the other kids parents at school and [he] found that [he] always craved a better life and always had high expectations.” For Ntombi’s father, she commented how having his family’s support was important because he was a “very family-oriented person who grew up where the family was the most important thing, so [he’d] never make a decision without consulting the family.” Thus, support in this instance was also used to seek consensus among family members. Similarly, Dumisani believed that family support was important. He said:

[Family] is my base; that’s the one centre where no matter what I’m feeling – low and down, hurting or happy, they make that space for me. I live with them; I share everything with them, that is what makes them special. I share my dreams with them and I realize some of my dreams with them.

At the other level of general support – providing support to the extended family, some participants valued being able to support their extended family whether materially or non-materially. Mr Zama commented that providing support (material and non-material) to one’s extended family was part of how he was raised. He said:

I was raised in such a way that I happen to know that my wife was brought up by other people who deserve to be cared for. So indirectly I find myself as part of them, I participate, support, donate, and in my case I even will adopt my late sister-in-law's daughter.

Vuyo stated how "it's important to know your whole family because you never know when you'll need them. So you must know that this is family and that you can count on them."

However, some participants viewed providing support to extended family as more of an obligation and burden than as something they actively sought to do. Andile provides an example this when he commented:

My mum's sister lost her husband and her kids actually said that they felt lonely, they did not feel our support during that tough period, and it really got to them. You know when my uncle passed away we still had responsibilities that we had to discharge irrespective of our feelings towards my mother's sister and her children; we still had to do that. I guess it was not being done with the enthusiasm that is normally associated with assistance so that is what got to them.

Support was also important for family in the family business context. Support in the business context was in terms of family being there for each other whether one worked in the family business or not and the founder being there for those who worked in the family business. Dumisani shared what it meant for him to work in the family business and said:

It's a beautiful environment. It's about the support structure, responsibilities are there, there is honesty, and there is a natural motivation; I don't have to motivate anyone. It's a great benefit for me.

Mr Thuso, a family business founder gave an example of being there for each other in the business, and described how he supported his staff and vice-versa:

Last week we had one guy whose father is very sick in [X]. His father left them with their mother so he requested from me if he could go and look for his father in [X]. I said he could take the day off and look for him and said 'if you find him, please don't get yourself involved in how your father left your mother. If you say he is your father, go, and have a look at what is happening.' To my amazement, he went and when he came back, he came to me, told me that he had found his father, and spoke to him. He said 'I think we need to bring him back home and give him proper care because where he is, the situation is bad.' So we do have those interactions. Even when I have problems, I normally do not come to them and say 'man I fought with my wife' but they can sense that there is something that happened and if I eventually open up, they sympathize with me. They come to talk to me and sometimes I get embarrassed – I'm from the old school and I feel I can't discuss some of these things with them but what can I do when they see me as a father figure as well. People around here know that I'm friendly with my staff but know when it's time for jokes, and time for business.

4.2.2.2 Good relationships

A value identified by the participants that contributed to family functioning in a family and family business was that of having good relationships between family members and particularly with their children and partners. Findings about good relationships varied among participants. Angus shared his experience about the importance of good relationships in his family and had the following to say:

I would say that I'm now in a good relationship with my family, probably the closest in understanding because we have been through so much. We've been through me being a little brat, we've been through my father having a huge operation, been through my mother being harassed...but I think the more negative those changes...the more positive the impact on the relationship.

Andile, whose son is about six years old, responded to the question about his relationship with his young child by stating:

It's not about spoiling him, it's about getting him to be a man, and I guess I'm modelling him after me because I grew up that way. Um, I've got a soft spot for him but at the same time, I feel that he is getting spoilt from the mum's side.

In contrast, other participants had mixed experiences with their children, but still regarded having good relationships with their children as important. Mr Thuso shared the nature of relationships he had with his children:

My youngest, my last born, she is 12, she is the one who mostly knows how to relate to me, maybe it's because I have a soft spot for her. The first-born has two children, she disappointed me, and we don't get on so well. Then the second born child, I don't know if I have spoilt her. All of them have attended private schools. Now we never had that, man they come with a mind of their own, they want to tell me in my house what to do, how to do things and that is how I always clash with the second born.

In the case of Mr Phosa, he had the following to share about his relationship with his son with whom he was working with in the family business:

I can say he's just not a son; he's a friend and a business partner. We are very, very close...But, the most important thing is the friendship – a loving friendship because if you don't have that relationship then I always say you are going to have difficulties.

On other hand, Mr Khoza commented that in his relationship with his children he did “not give them too much freedom; I want them to listen to me. If I give them too much freedom, they think that they don't have to learn hard work.” A good relationship with one's partner (whether they worked in the business or not) was considered important by some of the founders because they relied on these people for

emotional support and sometimes advice concerning the family business. Jabulani described his relationship with his partner as good and said:

She was one of the people who [was] very supportive when we started the business. I think if it wasn't for her, there are a lot of things that I would not have done or had the courage to do.

Zolani commented how initially his partner did not understand why he spent so much time at the business when it started but had now become supportive. He said:

She is more supportive of my business now and I have found that she often helps me when it comes to brainstorming new ideas, and staffing issues. As a result, we often discuss business at home with her and I now feel comfortable with taking my work home.

4.2.2.3 Closeness and love

The values that seemed to underpin good relationships were the values of closeness and love. For example, Mr Thuso, Mr Zama, and Ntombi commented about how close their family was and how their families shared and did everything as a family. On the value of love, Mr Veli's description was poignant:

We found marriages and children there, we grew within families especially me, and that is where I would have derived my importance of family. Now I have a family and with the family I have, there is this bond and the most important thing is the love that binds us together, you will not want to see any member of the family suffer.

4.2.2.4 Trust and respect

Similarly, to the values of closeness and love, the values of trust and respect were important to develop good relationships, where trusting family members and others working in the business was central to their functioning as a family business. For

example, Mr Khoza declared that he trusted his family working with him in the family business. Kago said that he trusted his family “because they are everything. You depend on your family and [they] depend on you, but you have to trust each other.” On the value of respect, Wycliffe commented how “we as people value respect. You must respect everyone – those that are older than you, younger than you; you must also have respect for those that are less fortunate than you.”

4.2.2.5 Spirituality

Most participants highlighted the importance of spirituality for family in general and family in family business. Two types of spirituality were identified in this study, some participants spoke of Christian beliefs and others highlighted the importance of their ancestors for family functioning. Mrs Jani said, “I’m a Christian, I believe in praying, so if things are not going well I accept that there are other things and I trust in God.” Similarly, Kago shared “we are saved Christians and do not quarrel at all.” Mr Veli used a Biblical metaphor to explain issues pertaining to his experiences in business, for example, in explaining how he wants to protect his family from bad experiences in managing a business he said:

Well I have a feeling that I may not enjoy the fruits, the income of my businesses. It is like Moses, he worked very hard, going through the desert with the children of Israel, but just before he could reach Canaan to start realising the beauty of the land that God gave them, he dies.

So do you see yourself in the same situation?

I see myself in the same situation although I might to live to see the profits start; I will be the person who is nervous, on my toes who would not like to see any of it going down... Even if I am telling them what to avoid, how tough it is, how much I suffered, that might just be history and they might want to experience that and yet it is not a nice experience.

Vusi shared that his father “ensures we follow tradition and he makes sure that we know our ancestors even though we have grown up in a modern family.” Jabulani, a young family business founder highlighted the importance of ancestors in his family and stated:

I believe that [ancestors] play quite a huge role. When things don't go well, your parents or your elders will tell you that you did not do things the right way. So it's one of those things that you need to address and move forward.

Mr Zama was an interesting case where both forms of spirituality were important for his family and the family business. He shared:

The family is an entity on its own; we are quite a religious and spiritual family. We normally keep ourselves in this by sticking to certain rules. Spirituality in this regard is our connection with God. But, we do have traditional ceremonies and rituals, which are normally characterized by a slaughtering and somewhere you speak to our forefathers spiritually but you just don't speak to them. You relate, you thank them, and you even reveal your intentions, and you ask them to help you.

4.2.2.6 Providing for the family

Most participants considered the value of providing for the family as important. This value was important for Mr Khoza who said:

My father passed away when we were very young and my mother did not go to school but she managed to look after us. But I don't want my wife to go through the same thing that my mother did, so when I die, my wife and family will be provided for.

Mr Veli regarded being able to provide for the family as important commenting how besides relying on God, one actually had to do the work. He commented:

My family must live and the other pillar of life is that you must have money to be able to access all the necessities required and for them to be happy. Hence, my business is just like work, I am working so that the family can live. It is important because it is the centre of their lives. Even though I am a Christian, I know that life is not created by money or by working in businesses, but I believe that these businesses will help them and that is why I prayed for them. You see, there are things that you will ask from God and he will give them to you but then there are those things that you have to do for yourself because God can't come with his own hands or miracles and start doing that... He has given you life, so you can only ask that he helps you feed the children and the family and then you have to do the work...

4.2.2.7 Compromise

Most of the research participants spoke of being able to compromise, particularly when problems arose that could affect the functioning of the family. The value of compromise enabled family members to resolve problems. For example, Mr Zama remarked how "in a family situation you always differ, you don't see everything eye to eye and sometimes you have to leave some other things hanging for the sake of retaining family spirit." Mr Zama provided an instance of when it was important to compromise:

Sometimes, even when you feel you are right, for the sake of her spirituality, her joy, her happiness, you have to compromise and say that 'Sweetheart you are right.' There must be understanding and again tolerance.

The ability to compromise led to family being able to resolve problems internally. Andile explained how the process occurred in his family, saying, "if the conflict is personal, I will try solving it myself, however, if we can't sort it out, then it becomes a family issue. And if it is a family issue, it is likely to be sorted out through an interaction of the families."

4.2.2.8 Teaching responsibility

Teaching responsibility is the last family value that emerged from the data and examples to illustrate this will be presented. Angus commented on how his parents taught him responsibility:

I think that what my parents have always taught me is that you will go through hard times in life and as long as you keep your integrity and trust, you'll keep on moving forward no matter what and if you learn from what you've done wrong, you'll be happy. You try to maintain what you have been taught.

For Andile, being taught responsibility was done by his father's family, and commented, "at your father's place you are taught responsibility, like if I went to my father's place, I would be expected to follow after oxen, hold the plough, and be with the cattle."

Mr Thuso shared how he wanted to teach responsibility to his family members in the family business and shared:

You know [teaching responsibility is] difficult because in our country we have always had the fathers being the heads of the family and my father was a very strict person. I ended up being like him, being strict with my own family. My strictness is geared to them being good citizens, good people and being able to fend for themselves. If I die now they should be able to know how to get bread and take care of themselves. So that's how I live with them.

4.2.2 Personal values

The participants highlighted a number of personal values, which were a manifestation of their cultural and family values. Personal values are classified into two categories, namely *relational* values and *work ethic* values. In the following sections, the relational values are described followed by a description of work ethic values.

4.2.3.1 Relational values

Relational values were described by the participants in this study as the values that were important to an individual in terms of how they interact with family and other people in the family business. Such values included *openness to change*, *willingness to learn*, and *trust*.

4.2.3.1.1 Openness to change

Openness to change was a common value shared by the founders of family businesses in the study and they explained that it influenced their interaction with family and others in the business. Mrs Sono commented on how she had brought up her children, saying, "...times change. You tell them how you started; they say that it was your time; they say now we have computers; things have changed. So, you can't bring them up the way I was brought up." Mpumi shared a similar view, commenting on how it was important for parents to be open to change, highlighting:

Some of the things we do now we would not have been allowed to do back in the day – walk out late at night; our parents were conservative and we couldn't talk. In a way it was a very ignorant way of raising children – how can you raise a child and not talk to them about the pros and cons of life? But at least now, we speak about things with our parents.

While Mr Zama recognized the need to observe one's tradition, he had the following to say concerning openness to change:

You can't come with a practice that you adopted in 1980 and still want to implement it as it is today. So I'm quite African, I'm quite a traditional man, I do follow some of the rituals but now sometimes I must not let tradition overcrowd my vision for the future...I must not be overcrowded by the principles of the past...

Andile shared how he was open to change. He acknowledged that he had learnt certain rules from his father and used some of them in his interaction with other people. He commented:

You see with those rules of engagement that I learnt from my father now define the person who I am and I am going to follow them but not to the book...I may have my own interpretations, but the core is still there. So I will take a lot of what I learnt from him.

4.2.3.1.2 Willingness to learn

A value closely linked to the preceding value is that of willingness to learn from others. In this case, founders shared how they as founders of the business were eager to learn from other people, be it people external to the business or from family members that were working in the business with them. Mr Phosa described what he did in establishing his business, "I went around to the big guys and so on just getting a feel for how they run their business and what knowledge you must have before I started the business." Later when Mr Phosa's son joined him in the business, he spoke of how he was now learning from his son and said, "I think there's an advantage having young people in the business who come with young ideas..."

Mr Thuso explained the importance of willingness to learn and change in the business, a common view shared by other founders in this study. He explained:

What I have learnt throughout the years I have been doing business is that if there is no discipline everything falls apart, everyone does what they want. But, as you get older, you learn and you see that people have their own ways of doing things. Even if they have their

own way of doing things and even though they do things differently, the purpose is the same as yours. If you say 'sweep the floor, take the broom and sweep the floor' and he takes a mop and sweeps at the end of the day the job has been done – only differently.

4.2.3.1.3 Trust

The final relational value is that of trust. Mr Zama believed that trust was important between the people who worked in the business including family and non-family and described the process he used to gain their trust.

Trust is situational; you sit down and involve a person. Sometimes you must involve people or your staff even in situations where they never thought they would be involved. Let them take decisions even in situations where they thought that it was your role to take that decision. So by so doing, you are also winning their trust and if they feel trusted, that is where they are going to excel in terms of work.

Jabulani also shared this view, stating, "I believe the advantage when you are starting a family business is that you know that you are working with people that you can trust... there is that added benefit that you know they won't do anything that will put you down."

4.2.3.2 Work ethic values

Work ethic values on the other hand, were described by the research participants as those values that describe an individual's attitude toward owning a family business and included *family ownership, determination, commitment and hard work, and independence.*

4.2.3.2.1 Family ownership

Family ownership of the business was considered an important value for the founders of a family business who wanted the business to continue and remain in the family. Mr Zama explained this value:

It's a family business in the sense of the word because already the line of development is confined to the family. In terms of my succession plan, which is in my will, these documents are already putting the family as the first priority. Family business normally caters for the benefit of the family first then the rest will follow... I think it's a simple concept – you are keeping the assets of the family within the family. Not to say you are overlooking other people, no, but the bottom line is that the aim of this is that to keep everything within the control of the family.

Mr Phosa agreed saying how he had “from the onset included all [his] children in the business” and how he was now “waiting for the two kids to mature then [he'll] bring in and if the others get married and have children then also bring them into the business and so on.” Mr Thuso shared the same view, stating that besides having a job because of the family business, his family were “having a life because this will continue because even their children, if they like, will get involved in this and they will have a better life out of this.” Mr Mudau who shared the value highlighted:

You must base your business on the character that says it is not only for me, when I have something, I must shift it to the right person – my child not to just anybody. Firstly, if I invest in my children, they will also invest in their children.

4.2.3.2.2 Determination, commitment and hard work

From the interview with Mr Thuso, he shared his work ethic values when he commented how his “own determination, commitment and hard work and [ability] to work with other people” enabled his family businesses to do well because of the

sound relationships he has with other people. Other founders, for example, Mr Phosa, Mrs Jani, Kago, and Mrs Kgosi shared similar work ethic values as those mentioned by Mr Thuso. Mrs Sono believed that her hard upbringing "contributed a lot because it made me be a hard worker."

4.2.3.2.3 Independence

The majority of the family business owners explained why they started the family business. In their responses, the founders emphasized that they valued the independence that they experienced because of owning their own business. Independence in this study was described by the founders as the founders firstly, having the desire to work for oneself and secondly, having the desire to be able to cater for the material needs for oneself and the family. Jabulani, for example, explained, "I was tired of working for someone else" and decided to start a family business. Similarly, Mr Phosa believed that:

By teaching the family about the business, you give them everything. So I think we Blacks must consider that because if you are a businessman you can write your own cheque, but if you work for somebody, you get that stipend.

Mrs Sono who discovered after getting married that she owned nothing, was encouraged by her mother to start doing something for herself and thus started venturing into business. She related that her first venture was knitting and selling jerseys followed by selling goods from her van and later progressed to opening a supermarket. At some point, she was in the transport business and currently had a diverse range of businesses she was operating. Mrs Kgosi described why she valued independence:

As long as I have food to eat and clothes on my back I know I am ok. Also, I am my own person, I don't have to answer to anyone, and that is important. If I didn't have a job then I would have to ask other people for money and such and they would get annoyed and finally ask me why I don't do it for myself.

4.2.4 Business values

Business values in this study were described as the behaviours and attitudes that were considered important by the founders for the business to operate successfully. These values included *respect and trust, sharing knowledge, building the community, open communication, customer focus, innovation, and participative decision-making* and these will be described in the following sections.

4.2.4.1 Respect

Wycliffe stated how “you must not only show respect to family and those that you know. Respect is a part of the business. I have respect for my family, for those that I work with and also for my customers.” Mrs Jani provided a similar view in that respect was important in business and in her case, she explained that “with my children, I respect them even if they have ideas that they bring that will help the business.” In addition to the value of respect, Mr Mudau related the importance of trusting employees to gain their commitment to the business. He said:

People who are working must be paid and then people will work freely and with an open heart... Like when I go out, I see my workers working because they are free; they don't just jump when I come around... I must show them that I trust them by doing my inspections by saying to them good words, encouraging words like 'this is good.'

4.2.4.2 Sharing knowledge

Mr Zama stressed the importance of sharing knowledge with other family members if the business was to continue, saying:

To my knowledge, some Black businesses could not succeed because only the manager – the head or father had the knowledge of the

business and when he died; he died without having passed on that information.

Mr Phosa was equally aware of this problem and commented how “the trouble with us Black people is we don’t venture into business and that’s the one thing, but now we must prepare our children and also our grandchildren so that they can become good businesspeople.” Mr Mudau highlighted the importance of sharing knowledge with those family members in the family business to overcome this problem. In his case, he said that he was going to continue teaching his children all that he knew until he died and then leave his children to teach their children about the family business.

4.2.4.3 Building the community

Some participants in the study believed that their businesses were important in building the community in which they operated. I found two variations of the value building the community in the data. The first variation of building the community was in the form of some founders regarding their family businesses as creators of employment for both their family and non-family members. For example, Mr Mudau was passionate about creating employment for his community as evidenced by his statement:

After seeing that many people were suffering about having no work, I decided to start creating jobs. When I erect these graves, that was a way of creating work for the people and that is why today I’ve over 200 and something workers – all registered. Another thing, I’ve opened a tombstone plant just to create jobs for the people. I’ve now opened the factory for the coffins, I making my own coffins, my own tombstones, I’m making my own everything and I’m creating work for the people.

Mr Phosa explained how he had created employment for people in his community, saying, “I have got now typically on a Saturday 25 people working. So my initiative gives them a job every Saturday and they rely on the salary that they get.” Mr Khoza

shared a similar sentiment and said, "I think that the community is supported by the business because they get employment and then they are able to look after their families." For Mr Thuso, he regarded the family business as an employment opportunity for his family and reflected, "what I have seen in South Africa with 40 percent of the population unemployed, is terrible. So at least my family is having a job."

Mr Zama who demonstrated a strong responsibility to the community provided a second variation to the value of building the community. He said:

The other thing is that normally every business becomes successful in terms of how you conduct it. There is a school, which I'm planning to adopt... What they are giving me, I must also give back things like maybe putting a billboard in front of the school, buy the school team some sport equipment and other things. Even if possible, I would like the community leaders to identify a person or two who come from a very poor background and then I can at least try to sponsor them financially with their school fees.

4.2.4.4 Open communication

Founders identified open communication as a business value that was instrumental to the existence of other business values because it was through founders informing and sharing the values with others in the family business that others became aware of them and aligned their behaviour accordingly. Zolani valued open communication with family members that worked in the business and stated:

I love it; actually I find it is easier to call a spade a spade when it comes to family. These are people that I have grown up with so I can always just tell them the truth when they start slacking or if they do something that is unacceptable.

Furthermore, open communication facilitated solving problems that arose in the business, for example, Mr Zama explained:

Every worker has a right to strike but as long as it is within the correct parameters because as their employer I have a right to lock them out. As long as I know their reason to strike and as long as I also have a platform to sit down with them and to listen to them, we can resolve the crisis.

4.2.4.5 Customer focus

Having a customer focus was a value that most of the family business owners in this study shared. The founders in this study described customer focus in terms of showing concern for your customers, being professional, listening to the feedback of customers, and being innovative. Mr Mudau shared his idea of quality customer care:

The first thing is that you must be an accepted man and you must also be very kind, and you must also truly love people because if you think it is about making money, then this business is not for such people. Although business is about making money, in this business the first thing you need is love and be understanding of the situation and if you understand you need to show people that you understand...

Mr Phosa held a similar view stating:

There is absolutely no business that can run without customer care. If you can't give the customers what they want and jealously guard that then you can forget, eventually you'll close your business. So that warm reception, excellent service that you provide and that's not all you know. After every funeral, I've got two chaps that usually go to the family, sit down with the family and then ask them how was the service, what did they like, what did they not like, what are their

issues and so on and wow, that's where you learn because you learn from the mistakes. You know business is not just getting money from the people, you are offering a service...

4.2.4.6 Innovation

To be able to provide the customers of the business with a good product or service, Mr Phosa and Mrs Sono, are two of many founders in the study who expressed the importance of innovation in the family business. Mr Phosa commented:

In most cases you'll find just because somebody next door has a taxi now it's seems as if that guy is doing good then you also buy a taxi, so that's the problem – we have copycats. So I think one must do research and you must do a thing that you like, that you will enjoy and that's not common. But now, as a business we started 11 years ago, now everyone's joining the bandwagon, and others jump on and then after time, they disappear into thin air.

4.2.4.7 Participative decision-making

The final business value that emerged from the data was participative decision-making. The founders described this as allowing those who worked in the family business and/or did not work in the family business to be involved in making decisions related to the business. Mr Phosa shared the nature of participative decision-making in his family business where both his son who worked with him in the business and staff were included in the decision-making process. His comment was:

I have an open door policy and if anybody has a problem or they are seeing something peculiar, I tell them to come in and we discuss it. If it's something very important I also call my son or I call the senior people and say 'here is something that we have, how do we tackle it?' And you will be surprised that the very same people that you can underestimate, they are the ones that are going to come with bright

ideas, then we work from there. Before we do something drastic, we have to sit as a team, discuss it and that team comprises of my son, senior people who are not necessarily family members and myself.

Mr Mudau shared how initially he made all the decisions in the business but with increased family participation, that position had begun to change. He commented:

With the children involved, they make some decisions, but, I monitor what is going on. I'm giving them a chance and when something is not right I tell them that that is wrong and that they should do it this way.

In these previous sections, the different values were identified and classified using four different levels – cultural, family, personal, and business. During the analysis, different modes of how values are transmitted emerged from the data and these will be explained in the next section.

Table 4.1 is a summary of the levels of values and the main values identified within each level and serve to assist the reader in reading the remainder of the chapter.

Table 4.1 Summary of the levels of values and main values

Level of Values	Main values in level
Cultural	<i>Ubuntu</i> ; observing tradition
Family	Support, trust and respect, good relationships, closeness and love, spirituality, providing for the family, compromise, and teaching responsibility
Personal	<u>Relational</u> : Openness to change, learning from others, and trust <u>Work ethic</u> : Family ownership, hard working, determination, commitment, and independence
Business	Respect, sharing knowledge, building the community, open communication, customer focus, innovation, and participative decision-making

4.2.3 Modes of exhibiting values

When I initially began to analyze the data, I asked the question "What is important to the founder/business/family and why?" and it was from this question that the different values emerged. However, as the analysis progressed, an additional question that evolved was "How do founders demonstrate the values associated with their family business to other family and non-family members working in the family business?" From the data, I identified two modes that appeared to be used for exhibiting values, namely role modelling and teaching and these will be described by means of examples in the following sections.

4.2.3.1 Role modelling as a mode of exhibiting values

Role modelling was a common method by which founders demonstrated values firstly, to family members and secondly, to family and non-family members working in the family business. Andile explained how his father raised him and his siblings and how he was now role modelling aspects of his upbringing in raising his son:

My father determined the rules of his house and he was echoing the belief system of his clan. So, he was also bound by the rules of engagement that the clan imposed on him and he transferred them back to us... It's about getting my son to be a man, I guess I'm modelling him after me because I grew up that way.

Zolani spoke of how his father considered their ancestors as an important part of their lives and through role modelling, tried to impart the value of ancestors to him and although Zolani participated, it was mainly out of keeping family harmony. He said:

My father feels that every once in a while we have to pay our respects to our ancestors so he slaughters a goat, that sort of thing. Why you might ask? Basically, he believes that if we don't, then maybe our good fortunes will come to an end. It's just what he feels

he has to pass down to us. We, on the other hand, just play along for the sake of peace and harmony.

Angus commented on how he became a hard worker and had a willingness to learn based on what he had seen his parents achieve as a family business. He said that he came from a family that was:

...pretty successful family, hard working, competitive with both yourself and others, diligent, friendly, had the eagerness to learn and acquire new skills and most importantly, [his] family has always believed that a mistake is only a mistake if you repeat it twice. The first time is a learning experience.

Mpumi commented, "when you are young, your father is like your hero and you only see the positive side of him. You grow up with that vision in mind and the things that you do are based on the positive side of your father." Vusi provided another example of the importance of role modelling values, saying, "There has to be a person in the family that we can look up to." In Mr Zama's case, his mother played a key role in displaying values of determination and commitment in that according to Mr Zama:

My mother was always a key family figure and now what would happen is that somewhere she would teach us that if you have your eyes fixed on something, don't look elsewhere – do it. If you are doing it, do it to a point where you would excel, if you are gifted in cooking, be a cook and excel at it and this is what I always did in whatever I did.

Dumisani gave an example of how his family had been a role model that they emulated and learnt some of the values that they used in the business. He commented:

We also have our own tradition; it's a legacy that we have; there is a legacy of achieving in the family, which is somehow a challenge for our generation because we want to emulate what my parents did and what our grandfather did.

4.2.3.2 Teaching as a mode of exhibiting values

Teaching was another common method of displaying values firstly, to family members and secondly, to family and non-family members in the family business. Angus recalled how from an early age he was taught certain values, saying:

First and foremost, my parents taught me to always be able to keep my honour. I remember at the age of three when I broke something that belonged to my grandmother, I remember the one thing that my mother said to me. She said that there is one thing that you can never ever lose and that is your integrity, that is your honour and trust...

Andile commented how he was teaching his son certain values by commenting:

It was not a conscious decision that my role as a father would be to teach him the hard facts of life, it's not conscious, that is how I was raised. I am emulating a lot of what my dad did in my relationship with him. So indirectly, I am indoctrinating him with what I was educated about and that's not necessarily a bad thing.

Vuyo believed:

One thing I don't think that will change is a father's contribution to a son's life. A father has to lay that foundation when you are young and growing up. There comes a time in your life when you have to start being your own man from what your father taught you. As I grew older, I kept my distance from my father so that I could show him that I could be independent and do things for others and myself.

Mpumi shared, "I was taught to be independent. My parents sent me to boarding school so that if anything happened, I would be able to handle things in a suitable way." Angus explained how "if you forget what you have been taught, it's like burning previous chapters in a book and trying to rewrite them but then now and

again you do go off the point but you have that foundation to build from.” Mr Zama shared a similar view saying:

It is a question of how your parents communicate with you and to a certain point, those are the things you pick up not knowing that somewhere they are going to be a trademark. You find yourself having to use some of those virtues.

4.3 VALUE SETS CLASSIFICATION

Based on the levels of values, namely cultural, family, personal, and business identified from the data (see Table 4.1) three main value sets – *traditional*, *progressive*, and *transitional* were identified. Table 4.2 illustrates the classification of the value sets based on the ranking of the levels of values, family life cycle, the founder’s choice of successor, and the founder’s behaviour regarding their choice of the successor.

Table 4.2 Classification of founder value sets

	Traditional value set	Progressive value set	Transitional value set
Ranking of values	1. Cultural 2. Family 3. Business 4. Personal	1. Personal 2. Family 3. Business 4. Cultural	1. Personal 2. Business 3. Family 4. Cultural
Family life cycle	Typically older individuals with adult children	Typically young to middle-aged couple with young children	Any
Founder’s choice of successor	Eldest son	Spouse or Siblings	Surrogate successors or successors yet to be identified
Founder’s behaviour in terms of their choice of successor	Gatekeeping	Navigating	Exploring
Founders found in the value set	Mr Phosa, Mr Mudau, Mr Khoza, Mrs Jani, Mr Puma, and Mrs Sono	Mr Zama, Mr Thuso, Mrs Kgosi, and Mr Hana	Kago, Zolani, and Mr Veli (surrogate successors identified) Dumisani, Mr Nene, John, and Wycliffe (successors yet to be identified)

The distinguishing factor between the value sets was the founder's behaviour in terms of their choice of a successor in the succession planning process. Their ranking of the different levels of values (cultural, family, personal, and business) influenced their choice of successor. The following sections will describe the different value sets (traditional, progressive, and transitional) identified in the study and an example of a founder located in that value set will be presented as a means of illustrating the value set.

4.3.1 Traditional value set

Founders who were identified as having a traditional value set prioritized cultural values, followed by family values, then business values and finally, personal values. Founders who held this value set typically had adult children where at least one child was involved in the business with the founder. The background of the founders varied but shared one common characteristic; these individuals had had a hard life. From the findings, these founders were strongly influenced by cultural values especially that of observing tradition. Family values were ranked second because of the strong influence of cultural values on the founders and thus, emanating from these cultural values was the importance of family for founders. These founders had a strong family orientation, placed an emphasis on maintaining unity within the family, and demonstrated equal concern for both their nuclear family and extended family. Although, the founders had a strong family orientation, these founders did recognize the importance of the business as a means of being able to provide for the family and practice *Ubuntu*. Finally, the personal values were ranked last not because they were regarded as less important but largely because founders were less open to change in terms of their choice of successor.

The founder's behaviour resembled that of stewardship and I decided to label the behaviour associated with such founders as *gatekeeping*. Gatekeeping behaviour also reflected that succession planning was strictly limited to the transfer of leadership from one generation to another. Consequently, in terms of planning for succession, founders identified their children as the potential successor. However, because of the strong influence of cultural values on succession planning, founders with gatekeeping

behaviour restricted their selection of a successor to their sons even if they were not yet working in the family business and/or even if the founder had daughters older than the son. Furthermore, it was found that most gatekeepers were already working together with their sons in the family business (with the exception of one founder) and therefore had accumulated knowledge and necessary competence required for continuing the family business.

Mr Phosa is an example of a founder who ascribes to a traditional value set and the following illustration is a composite of different aspects of a traditional value set.

	Evidence
Background	I tell them what it was like when I was attending school, what clothing I was wearing, how I never got lunch fare. When [I] came home I maybe got two slices of bread and black tea, [I] can't say now 'where is the butter, where's the jam?' [I] tell them also that I slept on the floor and I had maybe four pants and four shirts. We didn't eat flashy food, we would eat rice on Sunday, the other days - <i>pap</i> [traditional maize meal] and vegetables
Cultural values e.g. <i>Ubuntu</i>	<i>Ubuntu</i> , it was not called that that time, but you grew up with decent manners. You had to respect people, both young and old.
Family values	Well obviously, I've been looking after them, nurturing them, supporting them for all these years, so I don't want to send them into the wild. At least with a family business, that is where you can nurture them and prepare them for something big. And also give them the love for the business. Extended family is also important
Business values e.g. quality customer care	There is absolutely no business that can run without customer care. If you can't give the customers what they want and jealously guard that then you can forget, eventually you'll close your business.
Personal values e.g. work ethic	You see the thing that makes it successful I think, is the commitment one has
Founder's behaviour (Choice of successor)	The main one who has to take over obviously is my son. <i>Why your son?</i> Well, he is my son and I've been working with him for the last five years. He is very competent, he can do more than I can...

4.3.2 Progressive value set

Personal values were ranked first for founders with a progressive value set, in contrast to holders of traditional value set, and similarly to founders with a traditional value set, family values were ranked second, followed by business values and finally, cultural values. Personal values ranked highly because of the founder's openness to change and thus, succession was not limited to the children only but allowed for either the spouse or siblings to be successors. This was mainly because founders typically were younger with or without children. If the founder had children, they were still too young to currently be considered as successors and because founders were committed to planning for succession, the founders selected other family members to be the successor.

The family values were considered more important than business and cultural values because the strong need for family ownership and independence meant that other family members had to show some inclination to be or become committed to the family business. Similarly to founders with a traditional value set, founders with a progressive value set had a strong family orientation, which was magnified by the fact that they were often younger couples who were trying to build up material resources for the family. Consequently, founders recognized the importance of the business to achieve the goal of building material resources for the future of the family, therefore business values were ranked higher than cultural values. Although cultural values were ranked last, it was mainly because in terms of observing tradition, founders did not limit their choice of successor to a son. However, founders retained other aspects of cultural values, namely of *Ubuntu*.

In terms of succession planning, the behaviour of founders classified as having a progressive value set was described as *navigating* for two reasons. Firstly, the transfer of leadership was not limited to generational succession but was open to succession within a generation. Secondly, founders exhibiting navigating behaviour were willing to accept other people besides their sons to be the successor, therefore were considered as more progressive than founders with a traditional value set. As a result,

founders with a progressive value set selected either their spouses or siblings as successors.

Mr Zama will be used as the example to illustrate this value set:

	Evidence
Background	In tradition, there are policies, principles but tradition is not static, it changes according to times. You can't come with a practice that you adopted in 1980 and still want to implement as it is today. So, I'm quite African, I'm quite a traditional man, I do follow some of the rituals but now sometimes I must not let tradition overcrowd my vision for the future. Because in everything that I do now I have to be future-oriented, I can't dwell on things and say 'when I was still a little boy I used to struggle... and come with that principle and say that I want to implement it in my household. That thing will not work, if I have the means and resources to live in terms of present living standards it means I must not be overcrowded by the principles of the past. But, at the same time there is something very good about the past, that is I want to care and look to other people.
Family values e.g. closeness and compromise	What is important about this family is the closeness. The family is an entity on its own. We normally keep ourselves in this by sticking to certain rules. In a family situation you always differ, you don't see everything eye to eye and sometimes you have to leave some other things hanging for the sake of retaining family spirit.
Business values e.g. family ownership	It's a family business in the sense of the word because already the line of development is confined to the family, succession itself, on my documents, my will, they're already putting the family as the first priority. Family business normally caters for the benefit of the family first then the rest will follow.
Cultural values e.g. <i>Ubuntu</i>	The way that you are raised, you are raised in such a way that you happen to know that your wife was brought up by other people who deserve to be cared for. So indirectly you find yourself as part of them, you participate, support, donate and in some instances you normally adopt... Besides, you are advancing and they are also expecting something from you from a cultural point of view. They have given you a partner, as a token of

	cherishing that, now you must also be supportive in one way or another, contributing something to help.
Personal values e.g. compromise	In a family situation there must be empathy. There are times spiritually when you have to be on the other person's side. You cross the line and then the other thing is that you normally compromise. Sometimes, even when you feel you are right, for the sake of her spirituality, her joy, her happiness, you have to compromise and say that 'sweetheart you are right.' There must be understanding and again tolerance. Sometimes even when you have noted something don't expose your partner, you'll have a proper platform to say 'you were wrong, this is how you could have approached that.'
Founder's behaviour (Choice of successor)	My wife. She contributes something to this family and she knows already which rules to follow in the business. It does happen in most cases especially when a man dies first they normally say 'she bewitched my son.' Sometimes creating a healthy relationship between my wife and in-laws helps them to understand that if anything should happen, my wife should be declared the sole beneficiary of what we jointly have. Culturally, it's not easy for our families to say that this child has grown up and he can look after his things, you remain a child. So it is a task, you don't graduate... and if you don't protect your spouse you will find yourself being a victim of two conflicting situations, fighting for her and fighting for them in a situation that should not happen and if it does it will affect the family business.

4.3.3 Transitional value set

The third value set was labelled the transitional value set. In this value set, founders of family business were 'sitting on the fence' regarding naming their successor. Similarly to the progressive value set, personal values were ranked higher than the other levels of values. However, the work ethic values were more important. In addition, in terms of succession planning, there were instances where the children were still young to be considered for succession, consequently, founders selected what I labelled '*surrogate successors*' until such a time that the children could take over, if they wanted to. Surrogate successors could be spouses, other family members, or non-family members. Other instances where surrogate successors were selected

were in instances where founders who had adult children found that their own children or other family members had not shown an interest in becoming involved in the business. In contrast to founders with either traditional or progressive value sets, business values were ranked second. This ranking was largely influenced by the strong personal work ethic values and therefore, founders had a strong business-first orientation. In some instances, founders in this value set were willing to take on partners, form consortiums and establish companies but ensure that there was still something for the family for the future.

Although family values were considered not as important as personal and business values, it was primarily because of the situation that founders found themselves in, that is, currently there was limited family involvement in the family business. As a result, founders of such family businesses did not encounter many of the family values experienced by founders in the traditional and progressive value sets because they were not working with family in the business. In this value set, cultural values were considered the least important in comparison to the other value sets. However, this did not suggest that they were not important but were ranked last because in terms of selecting a successor, founders had not named a definite successor, although in some instances, surrogate successors had been named. Thus, founders still had an opportunity to select a successor from the family members should they decide to join the business at a later stage.

The founders behaviour in this value set could be described as *exploring*. In these situations, the focus was on exploring different business opportunities while maintaining the central vision that the family must derive optimum benefit from the enterprise regardless of its structure. Founders therefore, had a transitional value set, which essentially provided them the freedom to explore and if opportunities arose, to pursue them but at the same time, allow them to facilitate family inclusion should they decide to become involved in the business at a later stage. Thus, by being explorers, founders were willing to consider anyone to manage the business in the future as long as the business could still provide for the family but still have the flexibility to allow those family members who wished to be the successor to do so.

Jabulani is an example of a founder with a transitional value set:

	Evidence
Background	I was raised by two professionals. My parents were flexible and let us get away with a lot of things that kids my age probably would not have. There were things that were out of the question – like smoking and drinking and my Dad told us that was not on.
Business values e.g. willingness to change	We are doing quite a lot of restructuring in the business; we are now forming a consortium. So I believe the future of the company is really a strange one because there is a lot of internal change that is going to happen. So the decision of who is going to succeed us is not going to be an easy one. Like right now, we've always had the vision of being a family business but when you go out and tender for something what they look for are things like employment equity and so forth, so it becomes a problem if you are like a small company.
Personal values	<i>Why did you start the business?</i> I was tired of working for someone else.
Family values e.g. respect and good relationships	I believe that when you are in a family business there is a lot of personal feelings that you have to take into account as well. There is also that respect aspect that you still have to maintain. If you are in a business with non-family members, you can just tell that it's out of the question but where there is family, at some point the whole family relationship takes over.
Cultural values e.g. observing tradition	When you are in business as a Black person, you need for your ancestors to support what you are doing at that time. So there are all these things that you have to do so that the ancestors know where you are operating and that you are no longer working for someone. So I believe that they play quite a huge role. When things don't go well, your parents or your elders will tell you that you did not do things the right way. So it's one of those things that you need to address and move forward.
Founder's behaviour	<i>Do you have any children?</i>

(Choice of successor)	<p>Yes, a son who is five and a half months old... I am hoping, I believe, that it's every father's dream to have their son succeed them after whatever. But I believe at the end of the day that it's up to him. I'd love for one day to see my son running my business. But I believe it's a bit hard; I've seen a lot of people wanting different things for their kids and then different things happen. But I'll take it as it comes. If he's interested, then that's fine; if not, I'll have to make some other arrangement.</p> <p><i>If he's not interested, what is this arrangement?</i> My little brother, I believe has played a huge role and there are other people who have played a huge role.</p> <p><i>Are these family members?</i></p> <p>No, some are people we've known from business and some are friends. So I believe that they would be equipped to run this business.</p>
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4.4 SUMMARY

In this chapter, the findings presented have focused on the value sets that were identified in the study. To determine the value sets, I began by identifying the different levels of values and the final classification of the value sets was determined by the founders' behaviour in terms of their choice of successor. The emergent family business value sets, *traditional*, *progressive*, and *transitional* reflected the founder's behaviour in terms of selecting a successor. These value sets were distinguished by the founder's behaviour in their choice of successor, where founders with a *traditional value set* demonstrated *gatekeeping* behaviour in that they only considered their sons to be successors. On the other hand, founders with a *progressive value set* appeared to show what was labelled as *navigating* behaviour in that they selected spouses or siblings as successors for the family business. Finally, the behaviour of founders with a *transitional value set* was labelled as *exploring* because these founders identified surrogate successors who could be family or non-family as there was no clearly identified successor. In addition to identifying and describing the value sets, the modes that were used to exhibit values were role modelling and teaching were identified and described. In the next chapter the key categories – context, resilience and being proactive are described, which together contribute the development of the theory.

CHAPTER FIVE

THE KEY CATEGORIES

5.1 INTRODUCTION

In the grounded theory method, the purpose of doing open coding is to identify categories that need to be developed in terms of properties and dimensions. Furthermore, in developing a theory, it is imperative that the categories are described using the properties and dimensions because it is the dimensions that provide the variations that the theory needs to encapsulate (Strauss & Corbin, 1990, p. 70). Thus, it is from the category description that the relationships between categories in the emergent theory can be established (Strauss & Corbin, 1990, p. 70).

In this chapter, the key categories – family business context, being proactive, and resilience that emerged from the coding process are presented. These key categories complemented and contributed to the development of the core category, *Passing the Spear* (presented in Chapter Six), which is the emergent substantive theory about the influence of family business values on the succession planning process of Black family-owned businesses.

5.2 FAMILY BUSINESS CONTEXT

In all instances, founders in the study had the intention that the business should be passed on to the next generation or to other family members and had to some extent begun the process of succession planning for the family business. This desired continuity, described in this study by founders as the transfer of the family business leadership to other family members, however, occurred within a certain *family business context*. The *definition of family* and *organizational readiness* were identified in this study as the two main properties of the family business context category and each of these properties had sub-properties.

5.2.1 Definition of family

Continuity in the family business was influenced by the founder's definition of family. Definition of family was defined in this study as the group of people from which the founders of the family business selected successors and can be described using the sub-property of *inclusiveness*.

5.2.1.1 Inclusiveness

Inclusiveness, a sub-property of definition of family influences the decision pertaining to the selection of the successor, which is considered a critical aspect of succession planning. Inclusiveness was the limit or extent to which founders considered family members as potential successors. It was found in this study that there was a three-tier definition of family provided by the founders, which included nuclear, and what I labelled immediate and distant extended family. The nuclear family in this instance was the founder, spouse/partner and their children while the immediate extended included the founder's siblings in addition to the founder's nuclear family. The distant extended family included the founder's cousins, aunts, and uncles. Findings in this study suggest that the definition of family in terms of succession planning ranged from narrow to broad inclusiveness. Consequently, founders with a traditional value set had a narrow definition of family evidenced by their selection of a successor who, firstly, came only from the nuclear family and secondly, had to be a son. The founders who named their sons as successors included Mr Phosa, Mr Mudau, Mr Khoza, Mrs Jani, Mr Puma, and Mrs Sono. For example, Mrs Sono indicated:

I have a plan and those that will take over are those that are interested, but the business will be passed to the son who is most capable. I have also established a company so that the business does not stop even if my children are not interested in taking over.

In the case of founders with a progressive value set, their choice of successor could come from their nuclear family (spouses) or immediate extended family (siblings). Mr Zama, Mr Thuso, Mrs Kgosi, and Mr Hana were founders in the study who identified their spouses or siblings as successors. For example, although Mrs Kgosi wanted the business to go to her sister, she lamented "the problem with kids today is that they

don't just understand the concept of business and they don't appreciate such things...when I ask her to help me, she isn't very excited about it."

On the other hand, founders with a transitional value set had a broad level of inclusiveness as the choice of successor could either be from any tier of family or extend beyond the family. Founders, Kago, Zolani, and Mr Veli had identified surrogate successors who were either their spouses or siblings because their ideal successors – their sons or daughters were still too young. Kago had a young son but shared that "he will run the business someday"; however, he had selected his sister who was working with him in the business as the surrogate successor because "she works very well in my absence and I trust her completely." Jabulani, was one founder who had decided that the surrogate successor could come from either his family or outside the family. He stated that should his son opt not take over the business when he became of age, he could pass it either on to his brother or other people because:

It's a matter of knowing that your company is in good hands, because the last thing you want to do is leave your company to someone who will make it bankrupt.

However, founders such as Dumisani, Mr Nene, John, and Wycliffe were yet to identify a successor but had shared that the successor would be someone in the family. For example, John was unable to select a surrogate successor because of certain circumstances. He shared:

You know, it was difficult growing up, because my father passed away when I was small and I lived with my mother. To be precise, we were four. All my older siblings, and my younger ones have passed away, along with my parents, I'm left alone now. So I don't have any siblings, any parents so I'm alone in that perspective. All I have is my son.

5.2.2 Organizational readiness

The property of organizational readiness identified in this study focused on the level of preparation undertaken to enable the business to be passed on from the founder to

the successor or surrogate successor. In this study, organizational readiness can be described in terms of *purpose, planning, and availability of a successor.*

5.2.2.1 Purpose

The extent to which the founder intended the purpose of continuity influenced the degree of organizational readiness (i.e. the level of preparation). Based on the study's findings, purpose was described as the articulation of the rationale supporting succession planning for the family business. The degree of organizational readiness was higher in family businesses where the purpose of continuity was intended compared to family businesses where the purpose was unintended. There were no instances found in the study where the purpose of continuity was unintended regardless of the founder's value set. For example, Mr Phosa started the business by himself, however, as the business grew, he identified his son as the successor:

It took me two years just to convince that chap to come home and help. He now runs the business eloquently and that gives me great pride. And if I have to fall out one day, then obviously I know that I left my business in good capable hands.

In comparison to Mr Phosa who had clearly identified his son as the successor, Dumisani on the other hand had not named a successor but still intended that the business remain in the family. He said:

I really don't want to prescribe to my daughter what she should do in terms of taking over and what she should do with her life. But I'd love that if that's the only child I have [that they] have the business. I'm going to structure it in a way that there is continuity. It's going to be run by the family all the time but it depends on the strength of the person and that is who will be in charge.

5.2.2.2 Planning

Findings of this study indicate that family business founders that had largely planned for the transition of the founder and the successor experienced a higher degree of organizational readiness compared to family businesses that had a lower level of planning regarding the transition. For example, Mr Zama had a will in which his wife was identified as the successor because they had started the business together and she knew the business. Mr Zama had initiated the succession planning process four years after the business had started; he commented:

I know of a situation where one of my relatives in Pretoria has caused serious conflict. After he died, there was conflict as to who should inherit his assets, he married in community of property, but his policies were still in the name of his father. There was split loyalty; his father had to inherit that while there was a child in the picture so it caused conflict. In that situation the best thing to do is to encourage people to have a will. Take it and say succession should follow this road, this is how it should be and chose the person who will succeed you.

In all instances, the founders in this study had begun planning for succession; however, the distinguishing feature in the level of planning was the extent to which the plan had been implemented. Some founders had already selected the successors and got them involved in the family business (for example, Mrs Jani, Mr Zama, Mr Phosa, Mr Khoza) or others had selected successors but were yet to join the business (for example, Mr Mudau, Mrs Kgosi).

5.2.2.3 Availability of a successor

The final sub-property of organizational readiness was the availability of a successor for the family business leadership to be transferred to. In this study, all but four founders had identified a successor for the business (see section 5.2.1.1 for discussion) and in most instances; the successors had already begun working together

with the founder in the business. The availability of a successor influenced organizational readiness because it determined the rate at which implementation of the succession plan occurred in the family business. Closely aligned to the availability of a successor was the willingness of the successor to join the family business. In this study, successors had been convinced to join by the founders or by virtue of having worked in the business with the founder; the founder had indicated the intention for them to be the successors.

5.3 RESILIENCE

The second key category that emerged from the study was *resilience*. Resilience in this study was defined as the sustaining force that managed the family-business interface in times of change (be it planned or unplanned) in the family business. The main property of resilience is *flexibility*, which has two sub-properties of belief systems and family support.

5.3.1 Flexibility

Flexibility in this study was described as the capability of the family business to manage change in the family business. The two sub-properties of flexibility, *belief systems* and *family support* influenced the level of flexibility that the family business had in order to manage change.

5.3.1.1 Belief systems

Belief systems were described as the rules that govern the family business in this study and influenced the degree of flexibility (i.e. capability to manage change) in the family business. Family businesses with well-developed belief systems were characterized by founders actively conveying such rules to family members in comparison to family businesses with less-developed belief systems. Consequently, in times of change, the flexibility of the family business with well-developed belief

systems was higher than that of a family business with a less-developed belief system because the rules were well known by those in the family business. Examples of rules that governed the family business included rules pertaining to succession, acceptable behaviour of family members in the family business, conflict management, and decision-making structures in the family business. The following examples of founders illustrate the types of the rules found in some founders' belief systems:

Mrs Kgosi had well-developed rules pertaining to succession and stated that the business would go to her younger sister. Mr Phosa too had identified a successor and shared:

The main one who has to take over obviously is my son...he is my son and I've been working with him for the last five years. He is very competent, he can do more than I can...

In comparison, John was an example of a founder with less-developed rules pertaining to succession, stating how "the surviving family member would take over the business." Another example was Wycliffe, who, although was adamant that the business would remain in the business, had not named a successor. He shared, "as I've said it is a family business. In other words, it will remain within the [X] family although there has been no decision on who precisely will take over."

In terms of well-developed belief systems about expected behaviour of family members, Jabulani explained:

You find that you expect much more from the family than you would from normal people who are not family but are just working for you. You would not expect one of your family members to just up and leave when the clock hits five and it's time to go home. But with someone else working for you, they will just say that they will finish it off tomorrow. But with family you tend to have to do more.

Mr Thuso struggled to enforce his belief system about expected behaviour of family members in the business and commented how although his wife:

[Is] a very strong woman and I'd be happy if I die that she takes over the business. The only problem is the discipline. If you go back from where I come from, I wake up at 4am in the morning, come here to work, guys come and find that I've opened the business. She is supposed to be at work at 7am but gets there at 11 or 12; now that becomes a problem.

Mr Zama had well-developed rules to manage conflict in the workplace that may arise between him and his wife:

Although there is a very thin line, sometimes you may have a quarrel at home your wife, which may be unresolved and you arrive at a work situation where there are other people. For the sake of the work situation itself, do as if you have never had that argument. Obviously, you come in and work, you say 'I want you to complete these figures for me, I want that before 1pm because I need to place an order.' She will do that so that the very first communication with her is work-related. So I normally say policies are not like Acts, policies address themselves to crisis situations... You must have a guiding policy so that by the end if need be, if you are forced to refer to a particular clause within the policy, you can do that – it must not be seen as a personal grudge.

In comparison, Mr Thuso did not have a well-developed belief system pertaining to conflict management between family members in the family business:

If I fight with my wife in the business, it does not end there; it goes right into the house. Then when she comes home she'll say 'I'm tired, I have a headache' and she doesn't cook. So I know it's the fight we had at work, so it's really difficult... We went to that seminar and they said we must put in rules, I must tell you, those things, they don't work. There is much more, people who are not your family respect those rules, but your family knows that even if you chase them from work, you are stuck with them; you still have to

interact with her at home... With my family, it's difficult. You can't fill in any form and say this is the final warning. So you have to fight it out verbally with them and then maybe you don't talk to each other, maybe she won't go to work and then I have to accept that.

In all instances, the founders in this study had well-developed belief systems pertaining to the decision-making structures in the family business. These ranged from full participative decision-making to partial participative decision-making, with the structure dependent upon the level of competence and experience of those involved in the family business. Although Mr Thuso did engage his staff in terms of making decisions, there was partial participative decision-making because:

Most of the people I have got here are young people who have never worked so they are starting here so they lack experience. You can assign them tasks but when it comes to making certain decisions then you will have to teach them.

In comparison, Mr Phosa encouraged full participation in decision-making with his son and others working in the family business, sharing, "well fortunately, we are two so we make most of the decisions, but on the other hand too, I think one you must take your staff also into consideration...because they are foot soldiers of the business."

On the other hand, evidence from the study suggests that belief systems could be rigid or accommodating. In times of change, family businesses with more rigid belief systems could find it difficult to manage the change in comparison to family businesses with accommodating belief systems. To illustrate this notion, I will use examples of the value sets identified and described in Chapter Four. For example, if Mr Mudau's son decides not to join the family business the family business may find it difficult to continue. This is because Mr Mudau holds a traditional value set, which is strongly influenced by the cultural value of observing tradition and in this instance, observing tradition is represented by the selection of a son as the successor. In comparison, Mr Zama holds a progressive value set and in his case, the successor is not limited to a male. In his case, he has selected his wife to be the successor, thus his

belief system is more accommodating, and thus, the business could possibly continue within the family. In addition, in the event that his wife decides not to take over, the value set is aligned to an accommodating belief system because another family member could take over the leadership of the family business. Similarly, Jabulani, a founder with transitional value set was yet to identify a successor and has left the option open for any family member to take the leadership when the time comes.

5.3.1.2 Family support

Based on the study's data, family support was described as the resources, for example, emotional, time, or material that the family provided to the founders or the founder to the family regardless of their involvement in the family business. The level of family support ranged from visible to invisible and influenced the degree of flexibility (i.e. capability to manage change) of the family business. Families and family businesses with visible family support were more resilient than those with invisible family support. The level of family support (i.e. visible – invisible) was influenced by the family business context and level of participation in the decision-making structures of the business. The following examples illustrate visible family support:

Mr Hana described support in terms of what his parents did for him saying, “the support his parents gave them by taking [them] to school and making sure [they] were equipped gave him confidence.” This viewpoint is supported by Angus who said:

Family is important to me because it makes you morally who you are, it gives you guidance and just as they support you, you can support them. Family is a constant reminder.

Andile regarded family to be important “in many ways, it is a support mechanism more than anything else – emotionally, materially and spiritually.” Mr Veli shared a similar view, commenting how “now I have a family... and there is this bond and the most important thing is the love that binds us together...” Mr Puma, a single parent raised his child and “according to the way we get along, and have been living

together, I've realized that this is a better life to live, all I can hope for now is for him to provide for me when the time comes.”

The research participants considered support within the business itself as important. Jabulani who was in business with his brother explained how he valued the support that the rest of his family gave him although they were not involved in the business. He shared that “my siblings have also played a huge role in the business, my younger brother in terms of technical skills and my sister in terms of planning.” Mr Phosa explained how he could call on his other children who were not involved in the family business to assist him or his son who he was working with during busy weekends.

In this study, there were no instances of invisible family support. Rather, the trend that emerged in the study was that either the family provided more family support than the founder and vice-versa. In addition, the definition of family was important regarding expectations of who could provide or receive family support.

5.4 BEING PROACTIVE

Being proactive was the third key category that emerged from the data. Being proactive is a continuous process that had three sub-categories – identifying opportunity, initiating, and monitoring. Thus, in this study, two instances of being proactive were identified; firstly, in starting the business and secondly, in the planning for succession. In the following sections, each of the sub-categories are first described together with a description of its properties and dimensions.

5.4.1 Identifying opportunity

The founders of the family businesses in the study were asked the question: *Why did you start the business?* From their explanations, I was able to classify the motives for starting the business into the following categories: changes in life, independence, and in the case of one founder, he had grown up in a family business. Although, some founders in the study primarily started the business because of changes in their lives, the majority of the founders started their business in search of independence.

Changes in life were either unplanned or planned. Thus, in the case of unplanned changes in life, the urgency of identifying opportunity was often greater because the founders had to find a way of surviving. Wycliffe was an example of a founder who experienced an unplanned change in his life and this led him to starting the business:

I was a student...and was unable to continue with my studies due to a lack of funds. So I started the business to raise these funds so that I could go back and complete my studies. *Did you go back and complete your studies?* No, the income I was getting from the business became sufficient for me to live on; the business was a greater success than what I had anticipated.

Mrs Kgosi explained that she had started the business after her husband had passed on and had experienced difficulty accessing his money:

He had his money in the bank and they were giving me problems and lots of issues, so I left the money at the bank... I was tired of being dependent and broke. My husband just died, and there was no one to take care of me. So I decided to set up a small business instead of suffering, and selling looked like the better option, and finding work is difficult.

On the contrary, Mr Phosa was an example of a founder who started the business because of a planned change in his life; he had retired from his job:

You know I started from nowhere, I worked for 35 years in [X] and when I was about to retire there was absolutely nothing I could do with the money, it was just enough to buy a nice car, now how was I going to live?

In this instance of planned change, the urgency of identifying an opportunity was lower as he did have some means for survival; therefore, he was in a position to deliberate about what business venture he could start. Thus, in this case, the motive of

starting his business was to create additional wealth from the base he had because he was not satisfied with his retirement package.

The majority of founders in the study started their ventures in search of independence and John was one such founder, saying, "I wanted my own income..." Mr Hana had been working for some time then "realized that [he] had the potential to run [his] own business." Kago, who had been driven by the motive of independence shared, "when you work for someone you have a fixed salary regardless of how hard you work. As my own boss, I can set targets for myself and reach them through more effort." Thus, where the need for independence was intense, the need for identifying an opportunity was greater.

Dumisani was the only founder in the study who had been exposed to a family business when growing up:

I grew up in an environment where my family was running businesses. So at a young age of 10, I would go to the business without understanding what it was but I was exposed to it quite early. So, because of my early exposure to business, I grew up only knowing the world of business only and I never dreamt of working for others as I never saw my mum doing that... When I came back for school holidays, I used to come back and help my mother at the butchery and that is where I saw how everything worked. Other kids were playing but I was always working and I had fun...

From the quotes above, it was evident that regardless of the motive, the trigger to start the business was that an opportunity had been identified. From the data, there were several factors that had influenced opportunity identification, with some founders conducting research and others being influenced by a variety of factors such as personal experience, divine intervention or previous employment. For example, Mr Zama had been exposed to informal trading when he was young but when he was looking for an opportunity, he followed a formal process:

It is a question of family background, when I was still at school, my mother was a licensed hawker selling at various social occasions around [X]. That was where I was initially exposed to business. So I started to have a serious interest in business and I resigned officially from teaching. So after resigning, the first thing I started looking into was how much they were going to give me. So from there I went to the Internet and I gathered information and that is where I came across this franchise. I registered it and started operating.

Mr Mudau shared how personal experience, divine intervention, and research had influenced identifying opportunity:

I thought about it in 1990 when I had to bury my mother when she passed away. I thought that I had to try change the style of burying our people because I saw that this was a very important thing. Then I erected her grave before the burial and made it possible that on the day of the funeral things would look nice. In 1995, many people were asking me 'why can't you have your own mortuary?' after seeing what I did for my mother's funeral... In 1996, it came to me that God is calling me to help the people. When I went to all the mortuaries, it was a mix of all the people; it's only at [X] that has a mortuary for women and one for men. Many people don't know what happens when a person dies in a hospital. Then I decided to change my mind, I said that 'this needs God, this needs a person that must have God in him because if you are just doing it, you will never take care if the people.'

Some founders had opened similar businesses to ones where they had worked before. Zolani opened an information technology business; an industry he had been working in for some time but "had felt that the conventional way of climbing the corporate ladder was too slow and I wanted to be the boss. I have always wanted to lead, but was never really given the opportunity." Initially, Mr Veli's prior work experience influenced his opportunity identification but later diversified into other business

ventures after experiencing difficulties to obtain contracts to service the market he knew:

When I left government, I left with one view; I just wanted to become a contractor, a civil contractor because I was working for the Department of [X] so I know water like the back of my hand. I just thought that I would be dealing with water projects when I left, knowing that I had worked in the Department for a long time, that I have a good name but it was not the case when I left – that is the only department that I have done very little work for.

The other instance of opportunity identification emerged when the founders were asked if they were planning for succession. As highlighted earlier, being proactive was a continuous process, thus planning for succession presented the founders with an opportunity to think about the future and identify potential successors. As discussed earlier, most of the founders in this study had chosen a successor and this in part was influenced by the availability of a successor from their definition of family from which they intended to name a successor from.

5.4.1.1 Properties and dimensions of identifying opportunity

From the findings so far, it became apparent that the main properties of identifying opportunity were resources, intended purpose, and research effort. Founders, such as Mr Phosa and Mr Zama, who had access to more resources (for example, time and financial resources) were able to engage in a more detailed research effort about the opportunity in comparison with founders with limited access to resources, for example, Mrs Kgosi and Wycliffe. Thus, founders with more resources could spend more time accumulating knowledge about the field and emerge with a clearly defined purpose for the business and although they encountered several difficulties in starting the business, they were able to handle them better as they had the knowledge. In comparison, founders who had limited resources spent less time accumulating the knowledge required to operate the business and thus, when they experienced similar problems to those experienced by founders with access to more resources, they found

it more difficult to handle the problems and it took longer to recover from the challenges. Similar to founders with access to more resources, founders with limited resources often had a clearly defined purpose for their business. However, when it came to identifying succession planning opportunities, founders such as Mr Phosa, Mr Mudau, and Mr Zama who had access to more resources were in a better position to prepare for the inclusion and participation of other family members.

5.4.2 Initiating

The second sub-category of being proactive was initiating. During this phase, founders in the first instance of initiating began operating their businesses and in the other instance, began initiating the process of involving family members in the family business from which a potential successor would emerge. Thus, founders did not merely identify an opportunity and leave it at that, they found ways of taking advantage of the opportunity. Having identified the business opportunity and researching the field, Mr Phosa described the process of identifying an opportunity and initiating it:

Before I started the business, I went around to the big guys and so on just to get a feel for how they run their business... [and] what knowledge [I] must have. You must do complete research before you start your business. You prepare the groundwork so that by the time you are opening your doors, it's already six months that you been making arrangements...

Mr Zama followed a similar approach to that explained by Mr Phosa. Other founders started operating their businesses as soon as they had identified an opportunity, especially if they had been forced to start a business venture because of unplanned changes to their lives.

Founders were asked to share some of the problems that they had encountered when they had initially started the business and these will be described by means of

examples. Mr Phosa shared some of the difficulties he experienced when he first started the business and how he managed them:

I can say when we started the business also I'm in the township, when we started it was very difficult because we were not getting the necessary support from our own people. Well I think it is a perception, they thought a Black person could never do a decent funeral.

Bearing that in mind and you still started the business, what did you have in place to try overcoming those perceptions and getting these clients?

Well what happened actually is I used to go around, I used to address brotherhood societies, church groups, football clubs just to change the perception and then I used to invite them in so they see the facilities, and then have a cool drink or tea together you know. And one has to be nice, so then the façade began to change so they became to accept us and eventually join us. Some of them took the policy with us...

Other founders, such as Mr Nene, Mrs Kgosi, and Mr Zama experienced difficulties related to access to finance but in the case of Mr Zama; he was able eventually to access bank finance because he was starting a franchise.

Evidence from the study's findings revealed that initiating also occurred in the planning for succession context. Founders described how they had begun the process of succession planning in their family businesses. Founders who had adult children encouraged their children to come and work with them in the businesses. Mr Phosa explained how he had initiated the process of attracting his son, whom he had identified as his preferred successor stating, "I kept on talking to him for about two years you know because the family business was growing..." Although Mr Mudau had identified his son to be the successor, he had initiated the process of getting his other children involved in the family business:

All those daughters of mine, they are teachers but I decided to bring them into the business...but my son, who is the third born but who is

the oldest of the boys will be the head looking after everything. As long as they will be working together, he will have a right to tell them as I do... or he might not be working here but he will have to inspect the business from time to time.

For example, Mr Hana had initiated the process of getting his partner involved in the family business. He shared:

My fiancé works with us...the idea behind her working in our business is so that this way she can learn how to run the business so that when I am not around, she cannot say that she is incapable of doing anything because her husband is not around.

Jabulani had a young child and identified his brother, who was working in the business as the surrogate successor. He said:

I believe he has played a huge role. So I believe that he would be equipped to run this business. But it's a matter of knowing that your company is in good hands, because the last thing you want to do is leave your company to someone who will make it bankrupt

5.4.2.1 Properties and dimensions of initiating

The main properties of initiating in this study were resources and time. In the case where founders had limited access to resources and needed to start the business, the initiation process happened with more difficulties and took a shorter time. On the other hand, some founders who had access to more resources took more time to research their business opportunity and thus, took more time to start the business than those who needed to start making a living. In terms of planning for succession, the availability of human resources (family members that could join the family business) influenced the time it took for initiating the process of getting family members involved. In cases where founders had adult children, such founders were in a better position to begin sooner the initiating process of getting their children and identified

successors actively involved in the family business. In comparison, founders with young children or presently had no children were not in a position to have their children be actively involved in the family business, thus, the initiating process would inevitably be longer. However, founders were proactive and instead began an initiating process of bringing in surrogate successors or spouses or siblings who would be able to continue the business in the event of the founder was unable to and/or until the children became of age to assume the leadership of the family business if they wished.

5.4.3 Monitoring

The final sub-category of being proactive is monitoring. As stated earlier, being proactive is a continuous process and thus, essential information from the monitoring stage was the feeder into identifying opportunity. In this study, monitoring of the family business took different forms. For example, after reviewing the business, two founders changed businesses because their initial business was not beneficial to them. Mr Veli is an example of such a founder, who initially began as a civil contractor, but once he had started the business, he found that he was not getting many contracts in that area and in conjunction with civil contracting; he bought another business and started a construction company. He shared his experiences:

I am doing construction and also consultancy and I have some other businesses in the pipeline and I've also bought a winding business for electric motors. You know I'd say when I left government I had my own ideas and not necessary practical. And when you are looking at things from another angle when you are not involved you see a lot of better opportunities, greener pastures that side but only to find when you are in it that it is not like that, it's tough. Like in the contracting business, I left government in 2002, the very meaningful contract that I ever had was only one.

In most instances, founders reviewed their family businesses to identify how they could improve their product and/or service offering by improving the internal

processes of the family business. Initially, Jabulani and his brother lacked knowledge about business and he shared:

When we started the business, we did not know what we were getting ourselves into. When you start a business you think that you will get money and buy what has to be bought and deliver and that's it and just get a profit. It's really not that easy and we've had to change a lot of things.

How did you deal with this?

We took things as they came, attended a couple of seminars and looked at people we regarded as mentors to help us. I believe I've more knowledge about how to run a business, how to relate to people and that helps you grow in terms of business.

Finally, monitoring of the operations of the family business took the form of feedback. In the first instance, founders created an environment to obtain feedback from those working in the business and this included eliciting feedback from non-family members.

You call your staff; show them that they must not run the business from the counters. If you involve them, sit down with them, and show them how other outlets are doing and keep them informed you can get feedback from them because they are the ones who work with the customers.

In the second instance, founders provided some feedback to those family members not involved in the managing and operations and at times where able to get some input as to how they could improve the business. In the case of Mr Phosa, only his son was involved in the family business while the other three children had their own careers. However, he commented:

If we have something very important to discuss, we discuss it as the two of us and with his wife and in most cases when the sisters are

here we usually have a family meeting and say that this is the problem. So in most cases, we get a solution to the problem...

In the final instance, Mr Mudau had an advisory board to whom he provided feedback and who in turn provided him with new ideas pertaining to the management of the family business. He commented:

They are helping a lot, when they are here, they see that everything that is not going right is addressed at the meetings we have every quarter. We talk about the business, they advise us and tell us how we could do things, that's why we say that we changed the way that mortuaries were doing things, a mortuary is now a home. It's where people must be healed.

Are the members of the advisory board family members?

There is only one who is related to me, he is my brother.

Is there a specific reason why you decided to follow that?

Yes, I could see that nothing could run properly without having an advisory board. A person must be open to advice.

The founders in this study also monitored the development and preparation of the potential successor and monitoring in terms of succession planning took different forms. For example, monitoring could take the form of eliciting feedback from the successor regarding issues pertaining to the family business. In this instance, Mr Zama who had identified his wife as the surrogate successor shared how he and his wife "normally sit down and talk about [the business] even when we are not at the business." Another form of monitoring used by Mr Phosa was to build his son's confidence by allowing his son to implement changes in the family business. Mr Phosa commented:

Ever since he came in, well, he is young, energetic – what can I say – well educated and so he came up with brilliant ideas to improve the business and he introduced a computer and he made the job much easier. From there business was just booming...

The final form of monitoring of the potential successor is in the form of evaluating the successor's performance regarding the work delegated to them. Mr Khoza who had identified his adult son as the successor shared his experiences:

I can't be everywhere in the business so I usually delegate certain responsibilities to him...I started by giving him small jobs and now he does the job excellently and he is now more involved in the operations of the business.

5.4.3.1 Properties and dimensions of monitoring

The properties of monitoring include frequency and purpose of monitoring. As previously stated, being proactive is a continuous process and thus in terms of monitoring, founders monitored the business continuously. However, the purpose of the review determined the frequency that monitoring occurred. In terms of operations, the business was constantly monitored to limit the chances of unexpected events from occurring. Some founders had family meetings depending on the distance of family and purpose of family meetings. In some instances, where the children were in close proximity but were not part of the business, meetings occurred more often and issues pertaining to the performance of the business were addressed. In other instances, aspects about the business were discussed during major family gatherings and this was often once a year during the Christmas break, for example.

5.5 SUMMARY

In this chapter, the key categories – context, resilience and being proactive that emerged from the data have been described using their properties and dimensions. The category of context was described in terms of definition of family and organizational readiness. The definition of family delineated between those people that could be considered as a potential successor with those that might not be based on the successor's value set. The degree of organizational readiness in the family business was influenced by the extent to which there was clear articulation of the rationale supporting succession planning in the family business, level of planning, and

the availability of a willing successor to take over the leadership of the family business. Resilience, in this study was described as the sustaining force that managed the family-business interface in times of planned and unplanned change where the degree of resilience in the family business was influenced by the strength of the founder's belief systems and level of family support. The final key category identified in the study was the process of being proactive, which comprised three stages of identifying opportunity, initiating, and monitoring. Although the categories were presented as stand alone in this chapter, their relationships will be discussed in Chapter Six when the emergent theory – *Passing the Spear*, is described.

CHAPTER SIX

THE EMERGENT THEORY: *PASSING THE SPEAR*

6.1 INTRODUCTION

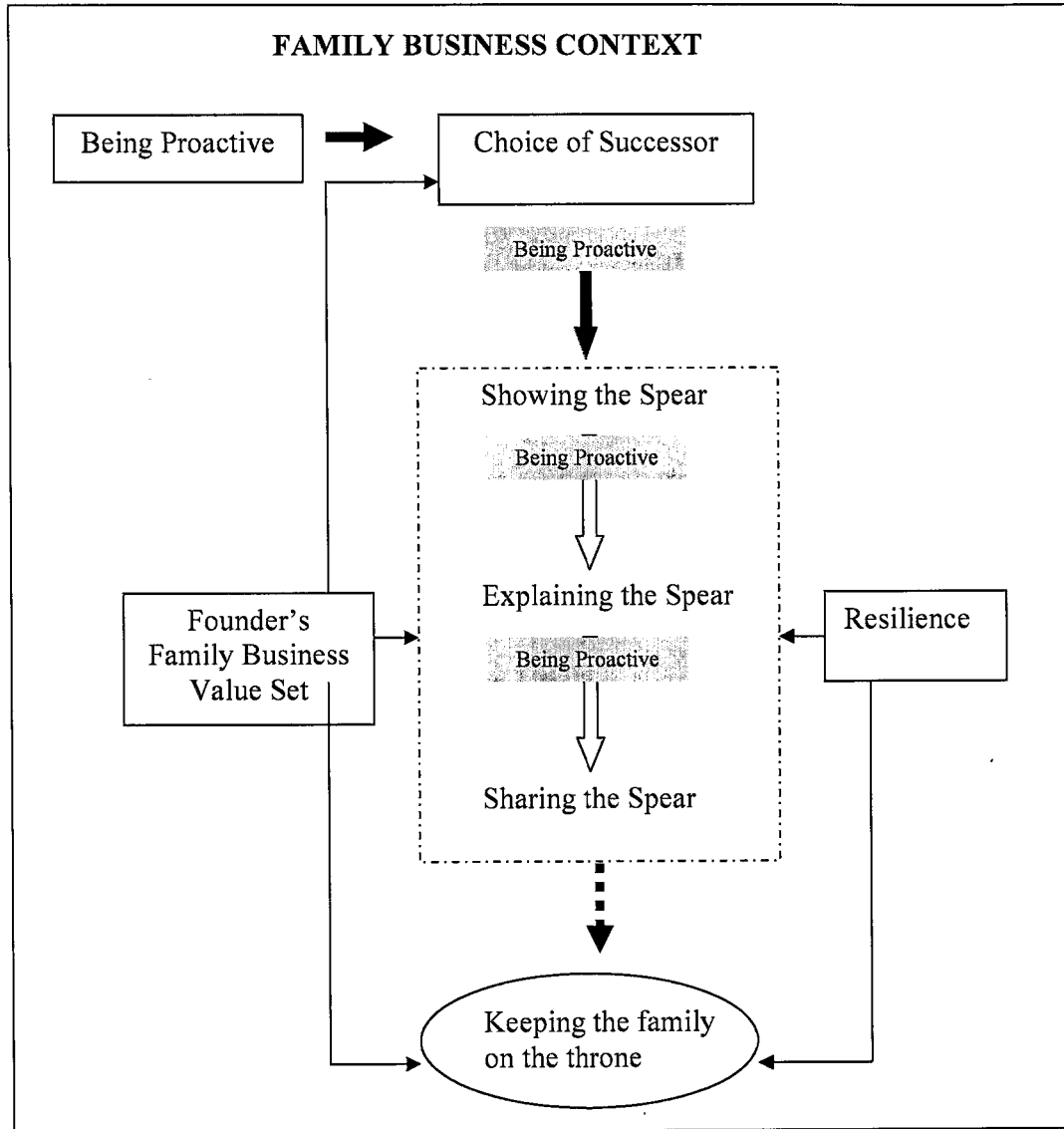
The purpose of the research was to develop a substantive theory describing the influence of a founder's family business value set on the succession planning process in Black family-owned businesses. The grounded theory developed in this study labelled *Passing the Spear*, was the process that founders used to plan for succession within their businesses. It was found in the study that the *family business context*, the founder's *family business value set*, *being proactive* and *resilience* influenced the succession planning process. In this chapter, the focus is on presenting the emergent theory, which describes the process for succession planning in Black family-owned businesses. The chapter begins by firstly, by describing the model followed by a description of the theory developed for this study.

6.2 DESCRIPTION OF THE MODEL

The emergent theory, *Passing the Spear*, describes the succession planning process in Black family-owned businesses (see Figure 6.1). In the model, the family business context, described in terms of definition of family and organizational readiness, influences the entire process. Being proactive initiates the process of *Passing the Spear* where the founders first chose the successor based on their family business value set and then begin the process of *Passing the Spear*. The process of *Passing the Spear* is comprised of three stages, which include *Showing the spear*, *Explaining the spear*, and *Sharing the spear* and these stages are implemented by following certain strategies within each stage. The process of being proactive is central to process of *Passing the Spear* as it facilitates the progression from one stage to the next. In addition, the resilience of the family business influences the implementation of the strategies found in each stage of the process of *Passing the Spear*. As the focus of this study was family businesses that are yet to undergo leadership succession, a dashed arrow is used to illustrate that achieving the consequence of keeping the family on the

throne will be based upon the success of implementing the process of *Passing the Spear*, family business values and resilience.

Figure 6.1 The process of *Passing the Spear*



6.3 THE EMERGENT THEORY: *PASSING THE SPEAR*

The main research question for this study was: "How do family business value sets influence succession planning in Black family-owned businesses?" During data analysis, a process – *Passing the Spear* emerged as the process that founders followed to facilitate family leadership continuity in the family business. The analogy of the spear emerged from the interview with Andile who spoke of the spear as being symbolic in representing leadership in an African family and I found that it could be used in the context of Black family-owned businesses. For example, in terms of family, a spear could be used in the hunting and gathering of food for the family and in the family business context, the spear symbolized the family business in that it was started to look after the needs of the family, thus, the family business was the food. In another instance, the spear could also be used to protect the family against harm. I saw the spear symbolizing the family business and how it could be used to protect the family against harm represented in the form of unemployment, inability to be economically independent, and not being able to look after or support each other.

Furthermore, the spear could harm the family if it was not handled with the care and respect accorded to it. In this instance, certain issues, for example, conflict among family in the business, the lack of family commitment to the family business, and the lack of planning could lead to the family business disbanding and not being able to provide for the future of the family. Underlying the various uses of the spear are basic principles in the form of values that govern its appropriate use. Thus, the process of *Passing the Spear* in the family business symbolizes the dual transfer of values and leadership of the business to the successor. The outcome of *Passing the Spear* is the possible retention of family ownership of the business where ownership is signified by the throne.

Passing the Spear had three stages or sub-processes – *Showing the spear*, *Explaining the spear*, and *Sharing the spear*. The first stage of *Showing the spear* involved bringing the successor into the family business and managing the family-business interface using relationships. The second stage, *Explaining the spear*, involved sharing knowledge and teaching the successor, and the final stage, *Sharing the spear*

involved sharing responsibilities and learning from the successor. *Passing the spear* was the generic process that founders followed in succession planning in the family businesses after having chosen a successor.

6.3.1 Showing the spear

Showing the spear was the first stage of the process, initiated by the founders being proactive, which as explained earlier, entailed identifying opportunity, initiating, and monitoring the implementation of the opportunity. In this stage, founders were being proactive in that they had identified an opportunity for the family business to continue and thus, had identified either a successor or a surrogate successor. Secondly, by being proactive the founders initiated the strategies used in this stage of *bringing the successor into the family business* and *managing the family-business interface using relationships*. Bringing in the successor into the family business was dependent on the family business context, especially in terms of the level of organizational readiness (i.e. level of preparation). In this study, the level of organizational readiness was either medium or high and depended on whether founders had clearly articulated the purpose of succession planning, begun planning the succession, and if there was a successor available who was willing to join the family business.

6.3.1.1 Bringing the successor into the family business

Having selected a successor, founders initiated the process of getting the successor involved in the business by bringing them into the business. This strategy was influenced by the family business context (i.e. definition of family and organizational readiness) and intervening conditions (i.e. the founder's value set and resilience). The founders were bringing the successors into the family business because the founders wanted that the business remain in the family. Thus, the definition of family influenced who was brought into the family business.

Therefore, family businesses with a higher level of organizational readiness had brought in the successors earlier than those family businesses with a lower level of organizational readiness. For example, although Dumisani, Mr Nene, Wycliffe, and

John had a clear purpose in that the business should remain in the family, the level of planning was lower compared to other founders because they were yet to identify a successor. The strategy of bringing the successor into the family business was influenced by the degree of resilience.

Resilience was described in terms of flexibility, where flexibility was defined as the capability of the family business to manage change. Thus, in addition to the definition of family, this strategy was also influenced by the founder's belief system (i.e. rules that govern the family business) and in particular, the rules pertaining to succession. In terms of family support, most of the family businesses had visible family support, which was important to gain the commitment of the successor and other people to the implementation of the succession plan. Thus, family businesses that had higher levels of organizational readiness were more resilient in the sense that by the time founders had brought in the successor into the family business it meant that the person was available and willing to be the successor. Furthermore, such businesses experienced higher levels of family support and commitment to the succession planning process that founders were implementing because it had been clearly articulated whom the successor would be.

Regardless of the value set, the choice of successor did not limit the involvement of other family members in the business. However, in the case of founders with a *traditional value set* (see section 4.3.1 for description), their main priority was to have the son, whom they had selected as the successor, to join the family business. Such founders had a well-developed and rigid belief system that only a son could be a successor, which the founders had conveyed to family and employees alike in the family business. In terms of selecting a successor, Mr Phosa stated, "the main one who has to take over obviously is my son." Another example of an owner with a traditional value set was Mr Mudau who had identified his son as the successor although it was his daughters who were currently working with him in the business. He said:

According to our culture, he has taken my surname and my daughters if they get married, they will go out, and they will not be considered as belonging to my family any more.

Founders with a *progressive value set* (see section 4.3.2 for description) had brought in either their spouse or sibling as the successor into the business and they too had a well-developed belief system pertaining to who could be the successor. In contrast to founders with a traditional value set, founders with a progressive value set had an accommodating belief system regarding succession because succession was not limited to generational transfer to a son but allowed for within-generation transfer where spouses or siblings could be the successor. Mr Hana was a founder with a progressive value set, sharing:

My fiancé works with us...the idea behind her working in our business is so that this way she can learn how to run the business so that when I am not around, she cannot say that she is incapable of doing anything because her husband is not around.

The founders with a *transitional value set* (see section 4.3.3 for description) had selected surrogate successors and in some instances, the surrogate successors were working in the family business. Some of these founders had a well-developed belief system in that they had named a surrogate successor while other founders had a less-developed belief system because they were yet to name a successor but had indicated that the business would remain in the family. Although founders with a progressive value set had an accommodating belief system, founders with a transitional value set had an even more accommodating belief system regarding succession. In the transitional value set, the successor could either be from the next generation (son or daughter), or within-generation (spouses or siblings), or non-family members but with the family retaining ownership control. Zolani, who had a young daughter, had selected his brother as a surrogate successor, stating:

He has the passion and drive that the business needs and his technical knowledge is a big asset for the business right now. I feel that he is

the right person for the job right now, but one can never tell what the future holds though.

6.3.1.2 Managing the family-business interface using relationships

Having brought the successor into the family business, an important strategy in the stage of *Showing the spear* was managing the family-business interface through using relationships. As discussed earlier, a family value identified by the participants important for family functioning was good relationships (see section 4.2.1.2). However, in succession planning, there was a need for both a good relationship and a transactional relationship between the founder and people working in the family business. Thus, there was a need to have a balanced relationship, that is both a good relationship and a transactional relationship between firstly, the people (family and/or non-family members) working in the family business and secondly and more importantly in terms of succession planning, between the founder and the successor. These relationships were used to manage the competing demands of family and business in the family business. In both instances, those family businesses where a balance between good and transactional relationships was well managed, the levels of involvement (i.e. people working in the business and the successor) and open communication were higher. The purpose of good relationships was to foster commitment to the family business, mainly from the successors as well as others working in the business. Founders described the purpose of developing transactional relationships as being important for managing the family and business interface where competing roles could be found.

Regardless of the founders' value sets; it was found that all the founders who had named a successor relied on their good relationship with the successor to facilitate commitment to the family business. In addition, the ability to make use of a good relationship to manage the family-business interface was influenced by the level of organizational readiness, belief systems, in particular rules governing conflict management and acceptable behaviour and level of family support. As mentioned earlier (see 6.3.1.1), the level of organizational readiness varied from lower to higher, however, regardless of whether the level of organizational readiness was lower

(successor yet to be named) or higher (successor named), the founders still made of a good relationship to manage the family-business interface. In the case where organizational readiness was higher, founders used a good relationship to maintain commitment to the business once the successor had been brought into the business. For example, Mr Phosa shared:

What is your relationship like with your son?

I can say he's just not a son, he's a friend and a business partner. We are very, very close and we happen to live in the same house, which makes it easier...

And in the business?

No we've to be level...I mean the world is modern, so you have to listen to the other one and now and then you have to relent but not to the detriment of the business. But, if I see something that is going to put us in problems and we are going to lose customers, then obviously I step in and say 'nah, you can't do that.' If you help them out, and pick up the hurdles and go on there is no problem. But, you must always be able to manage it. But, the most important thing is the friendship – a loving friendship because if you don't have that relationship then I always say you are going to have difficulties... That's why I say, for him, I'm his best mentor and I'm better than any boss that he has because any boss won't treat him like that, the boss will only look at production, and that's the end of the story...

On the other hand, founders in the study with businesses with lower levels of organizational readiness were still able to use their good relationship with family and non-family members working in the family to foster commitment even if a successor was yet to be named. For example, Wycliffe was yet to name a successor but still regarded having an open relationship with his family working with him as important and his comments illustrate how such a relationship can foster commitment:

Family is vital because your family knows the hardships of running a business and they understand how hard you work to get the money that you have. If you worked alone, they would not be able to

understand the value you have for your money and they would not be aware of how hard you worked for it. But, because they are a part of it, they understand how much hard work it is.

Similarly, with using good relationships to manage the family-business interface, all founders despite their value set used transactional relationships. This type of relationship was important for the founder to transfer successfully their accumulated business knowledge to the successor and to manage the behaviour of the people working in the business. However, the ease at which the founder was able to manage the family-business interface using the transactional relationship was influenced by the strength of good relationships and resilience. Thus, founders were able to make use of the transactional relationship based on their good relationship with the named successor or where no successor had been named, with the people working in the family business.

In terms of resilience, founders with a well-developed belief system pertaining to conflict management were in a better position to make use of their good relationship with the successor to resolve the conflict in comparison to founders with a less-developed belief system concerning conflict management. In addition, founders with a visible family support could draw upon these resources where needed, for example, if the founder and the successor were unable to resolve problems, the founder could look to other family members for assistance. Mr Mudau was an example of a founder who had commented that the relationship with his children was very good and the foundation of the good relationship was to show his children that he loved them and when they met at family gatherings, they spent time focusing on the good and bad aspects of the relationship. However, at the workplace he used a transactional relationship to manage the family-business interface. He said:

When I'm at work I'm doing what is needed on the side of the business but when I'm at home, I'm no longer at the business. When I'm talking to my children at work, I'm talking to them as a managing director of the company but not as a father. We must try to change atmospheres, I cannot just come from home as a father

and then come play with them at work as my children otherwise these other people will never respect them.

Furthermore, founders with a well-developed belief system about acceptable behaviour were able to use both the good relationships and transactional relationship to manage the behaviour of successors compared to founders with a less-developed belief system. Mr Zama explained how clear procedures assisted him in this regard and revealed the following:

But now when it comes to family business, everything must be on paper. It's a fact, at home I play various roles – I'm a husband and a father to the children but business-wise, I'm definitely a businessman and we have to be clear about roles relating to the business. So dividing those roles sometime becomes difficult, but if everything is on paper, if you have policies to guide you, then definitely it becomes easier.

Thus, founders who had well-developed belief systems pertaining to conflict management and acceptable behaviour were more resilient in that they would be able to handle any change easier compared to founders with less-developed systems..

6.3.2 Explaining the spear

Built into the process of *being proactive* is the phase of monitoring the opportunity that the founder had identified and initiated. Thus, so far in the process of *Passing the Spear*, founders had identified an opportunity for the business to continue beyond them and therefore selected successors to meet this opportunity. The founders had initiated the process of *Passing the Spear* where in the first stage of the process, *Showing the spear*, founders had used strategies of bringing the successor into the family business and managing the family-business interface using relationships. Upon an evaluation of the process thus far, an opportunity arose for founders to progress to the next phase of the process – *Explaining the spear*.

However, the ability to progress to the next stage was dependent on resources, where family businesses that had access to more resources were able to progress to the new stage at a quicker rate than in businesses with limited resources. This is because the required resources included time and money and as the focus of *Explaining the spear* was on nurturing and developing the successor, this could have cost implications if external interventions such as management courses were required. In addition, the ability to progress to this stage was dependent upon the availability of a successor who was working in the family business. Thus, in the family businesses where the successor was yet to join, the progression to this stage was slower although some nurturing and development was taking place when the opportunity arose, for example, when successors occasionally assisted in the business. In comparison, successors who had already joined the business were able to begin their development programme much sooner.

The two main strategies used in this stage for nurturing and developing the successor were *sharing knowledge* and *teaching the successor*.

6.3.2.1 Sharing knowledge

In this strategy, founders were interested in sharing their knowledge about the family business with the successor by communicating the importance and challenges of managing a family business. The implementation of the strategy was influenced by the family business context. In family businesses where there was a higher level of organizational readiness, founders, regardless of their value set, communicated the benefits and challenges of managing a family business to the successor through using the strategy of sharing knowledge. Mr Khoza, a founder with a *traditional value set* shared a benefit he had experienced in owning and working in a family business:

I trust my family members more because you see, when you employ someone, one is family and one is an outsider, so I believe in one thing, I need to be stricter with the family member than the other one. This is because I want the family member to learn so that they can take over from me, the other one might just be willing to work but not willing to learn, and they are willing to work for the rest of their

lives. Although the family members may get upset but in the end they understand why that this is the reason and it's because I want the business to carry on so I want them to learn.

Mr Thuso, a founder with a *progressive value set* shared, that although it was sometimes difficult to separate family and business roles, he still saw a benefit of working with family. He saw that the family was "having a life because this will continue because even their children if they like will get involved in this and they will have a better life out of this." Mr Veli, who held a transitional value set shared a similar benefit to Mr Thuso stating:

My family must live and the other pillar of life is that you must have money to be able to access all the necessities required and for them to be happy...Hence, my business is just like work, I am working so that the family can live...

Zolani, a founder with a *transitional value set* identified a benefit of family business, saying how "the biggest benefit is working together as a family towards the same goal and raising the next generation to learn to live together as a family with the hope that one day, they will run the company."

Mr Puma, a founder with a *traditional value set* shared his experiences regarding the challenges of managing a family business. He said:

It's hard work because; you know that if there is a problem, all responsibility is on you. For example, right now, I am working alone, I check the shops by myself, and on top of that, I have my own problems.

Mr Thuso, a founder with a *progressive value set* shared his main challenge as that of managing the relationship between his wife and his family stating how this influenced managing the family business:

When she comes into this family she gets told how she should behave in this new family and sometimes what they tell her is that she should be inferior and to accept an inferior position in that family. When you are a *makhoti*, [bride] you must not look my mother in the eye, you can't eat in the same plates, you must cover your hair in front of my father and you must wear long dresses. So, she goes into this family with these things – and she is a person on her own, now she has to show this inferiority to these people and that breeds hate. She feels that she is not part of the family because they treat her badly and they feel that she is not a good *makhoti* because she is doing things her own way and not how we do things in this family. The problem is that when decisions are taken in my family, she can't come and make decisions because she is not 'family'.

In comparison, Dumisani, who was classified as a founder with a *transitional value set* shared one of the challenges he had encountered in managing a family business. He shared:

Sometimes I have to make decisions and especially with me, I'm very young and sometimes they are not popular with my mum, and maybe there are reservations from my sisters and my brother, so there is that.

Thus, in businesses where there was a higher level of organizational readiness, the strategy of sharing knowledge was influenced by the definition of family where the founder placed an emphasis on sharing knowledge with the named successor. Even in the businesses where there was a lower level of organizational readiness, as was the case for Mr Nene, Mr Puma, John, and Wycliffe who were yet to name a successor, these founders still shared the benefits and challenges of family business. For example, John shared the benefits associated with a family business such as providing material support for the family and that he found it easier to make decisions. However, in contrast to businesses with a higher level of organizational readiness, in

the case of these four founders, the strategy of sharing knowledge was not limited by the definition of family but to those presently working in the family business.

6.3.2.2 Teaching the successor

In Chapter Four, two modes by which founders exhibit values were identified from the data and included role modelling and teaching. In the process of *Passing the Spear*, the founders used both teaching and role modelling in the nurturing and development of successors. Mrs Sono criticized Black parents for not teaching their children the value of having a business. She lamented:

They don't involve children so when the children come to the business they want to eat the sweets. Because of family, children are not socialized into the way businesses operate so they think that they can just give things away because it's available at the shop.

Thus, to overcome this problem, founders as part of nurturing and developing the successor used the strategy of teaching. The purpose of this strategy was to coach the successor about the processes of the family business and similarly to the strategy of sharing knowledge, the level of organizational readiness and resilience influenced the strategy. However, with this strategy whether the level of organizational readiness was medium to high and despite the founder's value set, founders implemented this strategy but the definition of family set the boundaries in terms of who would be taught. Therefore, where successors had been identified, the founder was more intensive in teaching them even though the founder shared their knowledge with others in the family business. Where, a successor was yet to be named, the founder still shared their knowledge with people working in the family business.

Mr Phosa, a founder with a *traditional value set* shared how he was teaching his son about managing a business. He said:

Black people like nice things. But one has to be very careful because if you are going to give them nice things, then they must be able to

pay for them otherwise you'll go down. So that's what I'm infiltrating into my son also – otherwise you cannot survive... I think it's a privilege really working with your son because that is what you call good mentorship because whatever I know I don't pull any punches, I give him the information 100 percent. Now if you were mentored by somebody else, it's very difficult and different.

Similarly, Mr Zama, a founder with a *progressive value set* also emphasized the importance of teaching family about managing a business. Mr Zama commented:

It is important to teach your siblings, your next-of-kin how the game is played and that is where the idea of family-owned business comes in. But now because it's you and for you to have the knowledge of family-owned business you have to attend quite a number of workshops on how to manage the business. You have to be part of that and see how others are doing business and it's very interesting that there are quite a lot of people involving their families in doing business.

Finally, founders with a *transitional value set* also adopted the strategy of teaching the successors as part of nurturing and developing them. Jabulani shared what he would do in terms of teaching the successor:

I would need to spend at least 6 months to groom them. I would want to groom them myself so that they know exactly how I want things done and how I expect for things to be done because giving them to manage the company does not mean they own the company

In terms of belief systems, the founder's value set influenced the strategy of teaching successors. Consequently, by teaching the successors, the founders were in fact teaching the successors about their belief systems regarding succession, acceptable behaviour, conflict management, and decision-making in the family business whether the belief systems were well- or less-developed (see section 5.3.1.1 in Chapter Five

for examples). In addition, family business founders with visible family support found that they could also use call on others to help teach the successors.

6.3.3 Sharing the spear

Similar to the stage of *Explaining the spear*, the founders continued to be proactive. Upon evaluation of the stage of *Explaining the spear*, the founders had an opportunity to provide the successors with an opportunity of taking more responsibility in the business. Consequently, founders began initiating this by progressing to the third stage of *Sharing the spear* in the process of *Passing the Spear*. In this stage of succession planning, the founders focused on empowering the successor and encouraged them to be actively involved in the business in terms of leadership and responsibility. To do this, founders in the study used the strategies of *sharing responsibilities* and *learning from the successor*.

However, to implement the strategies associated with this stage, founders had to be accommodating in terms of their belief systems so that the successor could try new things and not feel restrained by the founder's belief system. In addition, the level of support that the founder provided to the successor influenced the implementation of these strategies because the successor still relied on the founder for guidance.

6.3.3.1 Sharing responsibilities

The first strategy of sharing responsibilities that founders used in *Sharing the spear* was to encourage family to use the knowledge that they were acquiring from the founders and others in the family business to manage aspects of the family business. Thus, in family businesses where the level of organizational readiness was higher, successors were being given opportunities to use their knowledge by being given managerial positions, partake in decision-making, and learning how to resolve problems that arose in the family business. The thrust was on the empowerment of successors and founders spoke of instances when they would allow other family members to manage aspects of the business. Mr Phosa, who holds a *traditional value*

set, shared his experience in this regard, saying the family business was the "ideal place because you put everything into practice," therefore his son managed the operations of the business and his daughter-in-law managed the books for the business. Mr Zama's wife was also given the opportunity to use the knowledge she had accumulated in the family business appearing on his behalf when he was not around.

In addition, more resilient family businesses had well-developed belief systems regarding decision-making and in all instances, there was some type of participative decision-making. In addition, some founders with visible family support were able to call on other family members to assist with decision-making pertaining to the family business. The founders described this as allowing those who worked in the family business and/or did not work in the family business to be involved in making decisions regarding the business. Mr Phosa shared the nature of participative decision-making in his family business where both his son who worked with him in the business and staff were included in the process. His contribution was:

Well fortunately, we are two there so we make most of the decisions, but on the other hand too, I think you must take your staff also into consideration because they are foot soldiers of the business. I have an open door policy so if anybody has got a problem or they are seeing something peculiar, I tell them to come in so that we can discuss it and if it's something very important I also call my son or I call the senior people and say 'here's something that we have, how do we tackle it?' And you will be surprised that the very same people that you can underestimate are the ones that are going to come with bright ideas, then we work from there...

Mr Mudau, initially made the decisions in the family business, "but now with the children involved they make some decisions, but I monitor what is going on. I'm giving them a chance and when something is not right I tell them that that is wrong and that they should do it this way."

6.3.3.2 Learning from the potential successor

Founders adopted the strategy of learning from the successor in nurturing and developing the successor because they believed that gave the successor the confidence to start taking on more responsibility in the business. Learning could be internally driven (that is from the successor and/or family members) or be externally driven (non-family and others). The strategy of learning from the successor was influenced by the definition of family, organizational readiness, belief systems, and family support. Thus, this strategy was used more in family businesses where the level of organizational readiness was higher than in family businesses with lower levels of organizational readiness because the successor was already working in the family business. For example, Mr Phosa, who held a *traditional value set*, provided an example of an externally driven approach to learning assisted him to learn from his son, the identified successor. He shared:

In most instances, he comes with all the ideas. There are some organizations he belongs to and he learns a lot from the seminars and meetings. He meets other people from other provinces, other towns, and then what happens is that he interacts with them and then basically if he's got a problem they try to find a solution for him – which I think is beautiful.

Founders made use of their experience and used it while teaching the successor about the business. Mr Phosa shared, “I mean I'm experienced and will say that we tried and it failed, not to say that it won't fail again or will be successful, but you know in advance and in most cases we old people can predict.” However, in this stage, despite having vast experience and well-developed belief systems, founders such as Mr Phosa, were willing to learn from the successor:

I think there's an advantage having young people in the business who come with young ideas and I've learnt a lot... Here and there, where there is conflict because somebody feels that they want something to be done in a certain way, so we try it out and if it fails, we won't go

the same route... He is well educated and he came up with brilliant ideas to improve the business and he introduced a computer, so he made the job much easier...

Similarly, to the previous stages, the aspect of family support is important because once again it provides the family business with resources that can be called upon in times of need. Thus, learning from the successors was empowering to both parties as it provided a platform upon which the successor could gain the confidence to become the leader one day and provided the founder with an opportunity to evaluate the development of the successor.

6.5 SUMMARY

In this chapter, the process that founders followed in succession planning was presented and described. The multi-stage process focused on how founders implemented the process of *Passing the Spear*, driven by the founders being proactive in firstly, starting the business and secondly, seeing an opportunity for it to continue beyond them and thus, resulted in the selection of a successor based on their value set. The process itself was followed by implementing several strategies, which included, bringing in the successor into the family business, managing the family-business interface using relationships, sharing knowledge, teaching the successor, sharing responsibilities and learning from the successor. The degree of resilience was also important in implementing the process. Firstly, in terms of belief systems, part of this process involves the founder exhibiting their value system about the family business and in so doing; they are teaching the successors the business values and in addition, are exposing them to their own value set as reflected in the choice of the successor. Secondly, family support is an important aspect of resilience in that it provides the founder and the successor with resources they can use in times of need, which without may lead to difficulties in implementing the process.

The findings revealed that founders were at different stages of implementing the process and the rate at which they progress from one stage to another was dependent on factors, for example, the availability of successor and resources. Thus, the process

described was developed from the composite analysis of each of the founders' experiences regarding succession planning. The focus of the study was on family businesses that were yet to transfer leadership, thus, model also showed that the possibility of keeping the family on the throne would be based on the success of implementing the process. However, a non-continuous arrow was used to show this outcome based on the intentions expressed by the founders in this study.

CHAPTER SEVEN

DISCUSSION

7.1 INTRODUCTION

The purpose of this study was to contribute to the field of family business and in particular in the area of succession planning within Black family-owned businesses by describing the influence of a founder's family business value set on the succession planning process. This study was in response to the limited knowledge about succession planning of Black family-owned businesses in the South African context and by using the Strauss and Corbin (1990) grounded theory method, a substantive theory of succession planning was developed. In this chapter, a brief overview of the developed theory is presented. This is followed by a discussion of the findings in relation to relevant literature where, the discussion firstly, explains the theory of *Passing the Spear* within the context of extant literature on values and succession planning secondly, explains each stage of the identified theory in relation to relevant literature.

7.2 OVERVIEW OF THE THEORY OF *PASSING THE SPEAR*

The findings of this grounded theory study resulted in the development of a substantive theory labelled, *Passing the Spear*, which describes the process of succession planning in Black family-owned businesses based on a founder's value set. *Passing the Spear*, a dynamic process initiated by the founders of the family business, is one where founders' behaviour toward succession planning is influenced in part by the value set held by a founder. The identified founder's value sets in this study are classified as *traditional*, *progressive*, and *transitional*. These value sets are distinguished by the founder's behaviour regarding their choice of successor where founders with a traditional value set exhibited *gatekeeping* behaviour (that is their choice of successor is limited to the son), while the behaviour of founders with a progressive value set was labelled *navigating* (that is the choice of successor can be

spouses or siblings), and finally, founders with a transitional value set demonstrated behaviour labelled *exploring* (that is the choice of a successor can be either family or from non-family).

The process of *Passing the Spear* is represented by three sequential stages of *Showing the spear*, *Explaining the spear*, and *Sharing the spear*, where founders progress to the next stage by being proactive. Being proactive entails identifying opportunity, initiating, and monitoring and it is after the monitoring phase that the founder identifies an opportunity and progresses to the next stage. In each of the stages of *Passing the Spear*, there are strategies that the founder adopts and their implementation is influenced initially by the founder's value set but becoming more generic, the family business contextual conditions, and resilience of the family business. Thus, the successful implementation of *Passing the Spear* increases the chances of keeping the family on the throne.

7.3 THE THEORY *PASSING THE SPEAR* IN RELATION TO SELECTED RELEVANT LITERATURE

Some studies (for example Chua *et al.*, 2003; Sharma *et al.*, 2003) researching on succession planning have identified and/or explained their processes in relation to theory. Selected extant theories and literature can be used to explain aspects of the theory *Passing the Spear*. This observation is in support of Chua *et al.* (2003, p. 336) who believe that the development of family business theory can be advanced by "borrowing from the social sciences...because many of the concepts needed have already been examined in depth by scholars in disciplines such as anthropology, finance, history, organizational theory, political science, sociology and strategy." Thus, in this section of discussing the findings in relation to extant literature and theory, the discussion in this section will focus on firstly, values to explain the findings pertaining to classification of the family business values developed in the study. Secondly, the discussion will be on the founder's choice of the successor where kinship literature, social capital theory and family business literature will be used to

explain the study's findings about the influence of the identified family business values on this critical aspect of succession planning. Finally, the discussion in this section will focus on succession planning in the family business context where planned change theory will be used to explain the findings of this study.

7.3.1 Family business and values

Dyer (1988, p. 48) suggests that founders of the family business may be the ones that are able to change the assumptions and behaviours given that they are often the creators of the family business culture. Venter and Kruger (2004, p. 4) in agreement explain how when the founder leaves the firm, the successors will almost certainly continue operating within the founder's family business culture. Schein (1995, p. 231) mentions several ways which founders can use to embed their culture on others in the organization and include among others, deliberate role modelling, teaching and coaching others; explicit reward systems; formal statements of organizational philosophy; leaders reactions to critical incidents in the organization; organizational design, structures, systems, and procedures; and recruitment, selection, and promotion criteria. In this current study, role modelling and teaching were the two methods that founders used to exhibit their values to the successor and others working in the business. According to Denison, Lief and Ward (2004, p. 63), the values of the founder are strong cultural drivers because of the dominant role of the founder during start up and successive stages. Thus, Denison *et al.* (2004, p. 63) contend, if the cultural uniqueness "is understood and nurtured, can be one of a corporations greatest advantages."

Agle and Caldwell (1999, p. 327) emphasize the role of values because they "determine, regulate, and modify relations between individuals, organizations, institutions, and societies." Agle and Caldwell (1999, p. 329) believe a framework that is useful for classifying values is "one that distinguishes the level at which the values are held or exercised" and propose levels such as individual, organizational, institutional, societal, and global as possible classificatory levels. In this study, values were ranked on four levels, cultural, family, personal, and business from which, when

combined, represented family business values that were further classified into three value sets, namely *traditional*, *progressive*, and *transitional*.

7.3.1.1 Cultural values

Agle and Caldwell (1999, p. 349) observe that a common level to study values is at the societal/cultural level but note that few researchers (for example, Schwartz, 1992; Schwartz & Bilsky, 1987, 1990, all cited in Agle & Caldwell, 1999, p. 353) have been able to provide explanations to support their findings. As discussed earlier in Chapter Two (see section 2.3.1.1) Goffee described the influence of national culture using Hostede's (1991) dimensions of national culture in the family business. However, his study did not provide the values that can be translated into behaviour as the focus was on the assumptions underlying the dimensions of national culture according to Hofstede (1991). In this study, the focus was on values and thus, two main cultural values that influenced the behaviour of founders were *Ubuntu* and observing tradition. The literature on African culture and kinship literature is considered the most relevant to explain these findings.

Ubuntu describes humanness, and places emphasis on sharing material and non-material elements and caring for one another in a group, society, or community (Mbigi & Maree, 1995, p. 1; Togni, 1996). This cooperation is gained through a network of mutual obligation and the exchange of resources between kin. Investments are made in people, in terms of kinship and family and can be called upon in time of need (Oppong, 1992, p. 70). In this study, the values identified by the participants are similar to those identified by other studies (Ndletyana, 2003; Van Der Colff, 2003; Togni, 1996; Mbigi & Maree, 1995). The values include respect, sharing, concern for others, acceptance, community, solidarity, and trust and thus, a person whose behaviour can be aligned to these values would be what I consider as 'living *Ubuntu*.' Oppong (1992, p. 70) highlights that traditional behaviour patterns change little from one generation to another. Thus, the state of nature and existing social organization are accepted as unchangeable. Madu (1978, p. 77) summarizes the essence of a kinship system as "the culturally prescribed means by which a system defines and organizes succession, inheritance and socially prescribed attitudes and behaviour

patterns among group members." Furthermore, kinship systems detail the lineages and clan systems (Madu, 1978, p. 81). In addition, the values of *Ubuntu* identified in this study supports assertions made by Ndletyana (2003) that *Ubuntu* forms the basis of Black family values in a national culture.

7.3.1.2 Family values

Koironen (2002, p. 177) defines family values as "explicit or implicit conceptions of the desirable in family life. As shared beliefs, these desired end-states underlie the attitudinal and behavioural processes of family members." Haugh and McKee (2003, p. 145) present writers who have identified shared family values associated with the family firm such as commitment, communication, networks of trust, and family relations (Aronoff & Ward, 1995); independence, survival, security, employee loyalty (Mariussen *et al.*, 1997). In their study, Haugh and McKee (2003, p. 148) identified five main shared family values of a sense of belonging, honesty, loyalty, trust and respect, in the four family firms they studied. Similarly to Dyer's (1998) belief that family culture is important for family firm continuity, Haugh and McKee (2003, p. 155) add its importance for the "stability of the workforce, and promotes self-reliance and diligence in employees." In this study, the family values that were identified were support, trust and respect, good relationships, closeness and love, spirituality, providing for the family, compromise, and teaching responsibility, which differ somewhat from those identified by Haugh and McKee (2003). Similarly, to cultural values, family values are best explained in this study using kinship literature.

Haviland (1978, p. 214), explains kinship systems as obligation structures governing the sharing of economic and religious undertakings and the provision of emotional and legal support in times of need. Kinship is considered through blood and marriage ties in traditional African life (Mbiti, 1969, p. 104). Peredo (2003, p. 397) notes kinship rules and properties in any culture determine who is or is not part of the family and in addition, kinship systems provides the complex set of social expectations, norms and behavioural patterns between kin (Radcliffe-Brown, 1950, p. 10).

Kinship as a *moral order* recognizes the role of social obligations towards kin even if it is a burden (Sagner & Mtati, 1999, p. 400), hence kinship cannot simply be addressed from economic or political perspectives (Oppong, 1992, p. 69). Sagner and Mtati (1999, p. 400) add to this view of kinship by highlighting that, as kinship is not mainly based on a biological system, kinship relations not supported over time with either materially or immaterially transfers tend to be excluded from that individual's social network. Although imbalances in the transfer of resources between kin exist, there is recognition that such resources (i.e. social, emotional, and financial) enable kin to survive because of the permanent source of sustenance and security they provide (Goode, 1964, p. 3; Oppong, 1992, p. 75; Sagner & Mtati, 1999, p. 406). Thus, in this study, some of the founders shared the importance they attached to their family and values being able to provide support (financially and/or non-financially) to other family members. In addition, there were instances where founders regarded extended family as a burden but still conducted their duty of providing support.

7.3.1.3 Personal values

Mufune (2003, p. 19) comments on the relationship between culture and managerial behaviour suggesting that culture provides "the context in which people make choices about how they will act but also who they want to be." Sikula (1971, in Agle and Caldwell, 1999, p. 362) defines a personal value set as a "set of individual values that exist in a scale of hierarchy that reveals their degree of importance" but where different people may have the same values but have a different ranking. Jou and Sung (1995, p. 63) posit that the value system of an individual serves as both a "determinant and indicator of his/her behaviour...it channels behaviour in a way that an individual tends to assume a consistency between behaviour and values." They extend this argument to the case of a manager, who will structure, organize, and lead the organization based on their value system and furthermore, highlight the influence of an individual's cultural background on managerial values (Jou & Sung, 1995, p. 63). Komin (1995, p. 140) states that values "serve as standards or criteria to guide not only action but also judgment, choice, attitude, evaluation, argument, exhortation, rationalization, and one might add, attribution of causality." The discussion is taken further and Komin (1995, p. 141) explains that people organize these values into a

hierarchy of importance where the higher the ranking in importance, the more likely the individual translates that value into actual behaviour.

In this study, the personal values identified were classified into two categories – relational (openness to change, learning from others, and trust) and work ethic (family ownership, hard working, determination, commitment, and independence) because of the acknowledgment by founders that they are operating a family business. In addition, personal values influenced the choice of successor and this was as a result of the ranking of the levels of values found in the different family business value sets.

7.3.1.4 Business values

Koiranen (2002, p. 177) defines business values as “explicit or implicit conceptions of the desirable in business. As shared beliefs, these desired end-states underlies the attitudinal and behavioural processes of those involved in business.” In terms of business-related research writers have focused on the impact of individual values on decision-making and behaviour, moral development, and managerial success (for example Akaah & Lund, 1994; Weber, 1993; Jaskolka, Beyer & Trice, 1985 cited in Agle & Caldwell, 1999, p. 332). However, Agle and Caldwell (1999, p. 341) conclude that findings are often contradictory and researchers often interpret their findings in light of “their own subjective understanding of what is theoretically significant” but in defence of such research note that this “difficulty is encountered at all levels of analysis.”

Similarly, Dyer’s (1986) study presented four types of family business culture, namely, paternalistic, *laissez faire*, participative and professional based on the assumptions he identified but his study did not identify the specific values associated with each family business culture. In this current study, the business values that were identified included respect, sharing knowledge, building the community, open communication, customer focus, innovation, and participative decision-making. These values were similar to those identified by Tearle (1992). Tearle (1992, p. 63) argues that “leaders recognize the importance of values in shaping behaviour” adding that leaders need to “work hard to develop a culture which include values...” and

identifies business values such as customer-orientation, innovation, risk, learning, quality, and ability to think laterally as having the capability to empower people.

7.3.1.5 Family business values

Koiranen (2002, p. 177) defines family business values as “explicit or implicit conceptions of the desirable in both family and business life.” In addition, Walsh (1994, p. 191) states that families “develop their own internal norms, expressed through relationship rules, both implicit and explicit” and these rules are responsible for stipulating and guiding members’ behaviour. Walsh (1994, p. 190) notes how “problem solving is a crucial process in families” with well-functioning families characterized by a lack of problems because of effective problem solving and conflict resolution aided by open communication. The family business value sets identified in this study can be explained using extant family business literature.

Firstly, the value sets can be explained using literature on defining the family business. As discussed in Chapter One, defining a family business is a continuing debate, however, the typology approach and the resource-based approach appear to be appropriate in explaining the findings regarding the value sets. In the *traditional* and *progressive value sets*, the family values were ranked second and thus, these family businesses appear to have a strong family-first orientation in comparison to the *transitional value set*, which appears to have a strong business-first orientation. Ward (1987 as cited in Reid *et al.*, 1998, pp. 57-58) presents two types of family business – a *family-first family business* or a *business-first family business*. Family-first family businesses tend to be rigid, take fewer risks, and centralize decision-making within the family. In addition, ownership and control are exercised through the retention of shares in the hands of the family and reluctance exists to promote non-family members to senior positions in the business. Business-first family businesses are less rigid; tend to undertake strategic planning; accommodate family members’ independence and the propensity for risk-taking is higher compared to family-first family firms.

In this present study, aspects of each orientation were evident in the family business value sets. In terms of the *traditional* and *progressive value sets*, the aspect of wanting to retain ownership and control was evident, but on the contrary the *progressive value set* indicated that businesses were not rigid and in both the traditional and *progressive value sets*, there was some level of participative decision-making. The *transitional value set* appears to be more aligned with the description of business-first family businesses.

Another typology, which is relevant for explaining the rankings in this study, is that by Carsrud, Lara and Sachs (1997). Carsrud *et al.* (1997) developed a typology along the dimensions of source of bonding/relationships (shared values and beliefs), strength of shared values/relationship (degree of commitment to values), and source of control (internal or external). The first main category is the *biological/clan* where bonding is based on biological or clan membership including extended family groups. Family businesses in this group potentially have a high degree of permanence but this is dependent on the strength of values and sources of control. This classification could explain the *traditional value set* that some founders held in this study. Family businesses might be in the *emotional* category where source of bonding is psychological rather than biological, for example, husband and wife family firms. This classification is similar to the *progressive value set* where in some instances spouses had been selected as successors. In the *legal* category, the relationship is contractual in nature and family businesses in this category experience short-term relationships because relationships are formed for specific events and disband after the event. In this study, some of the founders with a *transitional value set* can be classified into this category.

However, Degadt (2003, p. 379) highlights the contradictory relationship between the values of the family business and the business where in the one instance, the relationship may be complementary and in another instance, conflicting. The empirical research revealed that the respondents regarded business-related values such as job satisfaction, autonomy and the quality of products as being important with the value of continuing the family tradition being ranked last in the order of importance (Degadt, 2003, p. 387). Such a finding according to Degadt (2003, p. 388) is an example of the contradictory nature of values because the respondents did regard the

family as being important. The *transitional value set* is an example of this, because founders did consider the business a family business but were willing in some cases to consider forming alliances with other businesses but still had a vision that the business should continue in the family.

In a study by García-Álvarez and López-Sintas (2001, pp. 282-283), they developed a taxonomy with four groups of founders, namely founder of family tradition, achiever, strategist, and inventor based on their value systems based on their objectives regarding both the family and the business. A founder of family tradition has values such as “positive perception of human relations, ethical orientation, and a feeling of family” where they regard the business as an end. The values of the achiever include “short-term orientation, vocation, and task orientation” because the founder perceives the role of the business as a means to earning a living. The strategist on the other hand has values such as “sense of achievement, internal control, and long-term orientation” and attains self-actualization as the business grows steadily. Finally, the inventor is a founder with values such as “innovation, family orientation, and a negative perception of human relations” and their focus is on continuously innovating in the business. These categories are distinct from the groupings of the founders’ value sets in this current study because the differentiation in this study is along choice of successor. In addition, I would argue that the groupings identified by García-Álvarez and López-Sintas (2001) have a strong business-level and personal-level of values and do not embody the family dimension, which by using choice of successor in this study I would argue, begins to embody the family dimension.

7.3.2 Choosing the successor: The influence of family business values

Helfat and Bailey (2005, p. 48) contend that in a bid to “minimize disruption, most firms select successors from inside the firm.” Thus, to this end, firms initiate a process of grooming the potential successor for leadership by placing them in high-ranking leadership positions. In the context of family business, Aronoff and Ward (2000, in Koiranen, 2002, pp. 176-177), “emphasize that values lay the bedrock for corporate culture and provide a template for decision making... Values have a role to play when

recruiting and motivating employees...can foster shareholder solidarity, commitment, and enthusiasm." Chrisman, Chua and Sharma (1998, p. 19) that although succession as a topic has dominated family business research, surprisingly, the choice of successor has received little attention. They contend that "one of the major issues that family firms face is choosing a successor" (Chrisman *et al.*, 1998, p. 27). Gatrell, Jenkins and Tucker (2001, p. 2) argue how during generational transitions in family business "old habits and vested privileges are frequently challenged." Quoting one of the founders in their small-scale study, the founder shared, "Values are embodied in the way we live and are drivers for rules and codes of behaviour" (Gatrell *et al.*, 2001, p. 8).

Keating and Little (1997, p. 158) suggest the existence of implicit rules governing the choice of successor which include number, gender, birth order, commitment and availability of successors. Emens and Wolper (2000, pp. 6-7) highlight how issues such as "birth order, gender, and sibling rivalry can impede a smooth transition" and suggest that the choice of successor should be based on "ability, desire, and commitment rather than birth order or gender." However, Emens and Wolper (2000, p. 26) comment that planning for the next leader is "often the most difficult decision that members" of the family firm will face. Emens and Wolper (2000, p. 8) recommend that upon a final decision of the successor "appropriate training needs to occur so that the transition can be smooth..." Stavrou (2003, p. 337) contends the choice of successor is primarily driven by aspects such as status, gender of successor, and the birth order of the family. Stavrou (2003, p. 337) believes that selecting a successor based on blood relation is a restrictive criterion adding that selection becomes even more restricted if issues of gender and birth order are also considered.

However, Keating and Little (1997, p. 159) argue that it is unclear as to the application of such rules. Using the grounded theory method to explain the process by which farm family business founders select the potential successor, the findings of their grounded theory study revealed that founders engaged in a five-stage selection process. The process includes watching for interest (when children are young), reducing the pool of those eligible (begins in the teen years), assessing commitment (when children are young adults), compensating the others (happens upon choice of successor), and placing the successor. García-Álvarez, López-Sintas and Gonzalvo

(2002, pp. 190-191) provide a hierarchy for the choice of successor suggesting children first with other family members second in the order and finally non-family members which can include outsiders where successors are unavailable (see for example, Ward, 1987). However, according to García-Álvarez *et al.* (2002, p. 190), the “literature points out that families exhibit differences in their criteria of successor selection.”

Chrisman, Chua and Steier (2005, p. 238) contend that because “a family business is an embodiment of the aspirations and capabilities of family members, it has a strong social element affecting decisions”, which extend to decisions, for example, about the choice of a successor. Most studies state that a successor needs to be selected, but do not explain what influences the choice of the successor. In this study, the choice of the successor can be explained using the values sets that the founder holds.

7.3.2.1 Choosing a successor: Founders’ with a traditional value set

Founders with a *traditional value set* chose their sons as the successors for the family business and kinship literature appears to be the most relevant in explaining the findings. Hofstede (1985, p. 349) posits that the founders of organizations “while usually unique individuals are also children of a national culture; so the founders’ national values appear to be reflected in the values of their organizations...” He goes on to postulate that “the reason why the founders have such an impact is that they are the only ones who can fully adapt the organizations to themselves” (Hofstede, 1985, p. 350). Parkin (1997, p. 28) observes that although it has often been claimed that the nuclear family is “the very foundation of all human society...not all societies actually give it this particular emphasis.”

It was found that in this study, founders with this value set only selected successors from their nuclear family. Furthermore, founders with a *traditional value set* limited their choice of a successor to a son and this behaviour in terms of the choice of successor was labelled as gatekeeping. Gatekeeping was the behaviour that emerged because of the strong cultural value of *observing tradition* and thus, in terms of

succession planning, the founders chose their sons. This finding supports Oppong's (1992, p. 70) observation and Kellerhals *et al.* (2002) patrimony logic family cultures (discussed in section 2.3.2) that traditional behaviour patterns change little from one generation to another because they are governed by custom.

Kaslow (1998, p. 237) notes that family businesses are more frequently passed "from father to son, or to another carefully chosen male relative" and continues to posit "men are often groomed to assume control of the businesses as early as high school and continues through college and into the early phases of their careers." Ayisi (1992, p. 18) argues how in "most African societies...kinship constitutes the primary basis for the individual's rights, duties, rules of residence, marriage, inheritance and succession." Ayisi (1992, p. 33) distinguishes between inheritance and succession where inheritance is the mode of property transfer to another person upon their death and succession is the process by which an individual acquires rank and privileges. Ayisi (1992, p. 34) observes that in "most African societies, people inherit property and succeed to ranks through one line – either matrilineally or patrilineally," where matrilineally is through the lineage of the mother and patrilineally is through the lineage of the father (Ayisi, 1992, p. 28). In this study, the founders with the *traditional value set* support follow a patrilineal lineage as described by Ayisi (1992).

Furthermore, Oppong (1992, p. 75) argues "kin ties provide a bedrock for economic co-operation continuing into an uncertain future and providing an ideal basis for long-term planning...", thus in this study, founders of a *traditional value set* appear to be making use of kin ties by selecting a member of their family to continue the family business. Haugh and McKee (2003) conducted an ethnographic study of the organizational culture of four family-owned businesses where formal in-depth interviews were conducted with key informants guided by theoretical sampling (Glaser & Strauss, 1967). Haugh and McKee (2003, p. 147) observed that although the aim of the study was to investigate organizational culture, "the distinctive importance of the family dimension and family values began to emerge only through data collection and analysis." Similarly, the findings of this study substantiate Haugh and McKee's (2003, p. 147) finding of the nature of inclusiveness in the concept of family in the family business and in terms of selecting a successor this is an important aspect.

Other studies, demonstrate the influence of kinship on selecting successors in family-owned businesses. Santiago (2000, p. 15) notes the similarities between the Philippine culture and Southeast Asian counterparts where there is a strong patriarchal society. Thus, in the absence of the father, Santiago (2000, p. 15) highlights “the eldest son normally assumes the role of the head of the family” and this position extends to leadership succession in the family business. Kets de Vries (1996, in Perricone *et al.*, 2001, p. 109) explains why the daughter may not be considered as a successor. Reasons include that in cases where the daughter gets married, divorce could occur resulting in complications; if she changes her name upon marriage, this could disrupt the symbolic association attached to the family name in the family business. In this current study, some of the founders offered similar observations. Perricone *et al.* (2001, p. 109) highlight the rule of primogeniture which dictates a traditional succession pattern where in most cases the eldest son assumes leadership of the family business. This finding supports the finding by Perricone *et al.* (2001) because there was evidence of founders adopting this rule.

An additional interesting finding in this current study was that two of the founders in this value set were women had selected their sons as successors even though they had daughters working with them in the family business. This finding is aligned to the observation made by Gundry and Welsch (1994, p. 274) who suggest that a “way to determine the effect of family values, socialization, and influence is to examine the woman entrepreneur under a treatment of varying degrees of family concentration and exposure.”

7.3.2.2 Choosing a successor: Founders’ with a progressive value set

Machado (2004, p. 6) argues that because of changes in the family structure there is a change in the distribution of power in the family and notes how most family business studies still use the patriarchal family, however, in this study, the findings indicated that founders with a *progressive value set* reflect these changes. In this current study, some of the founders had selected women as the successors as well as siblings.

It has been suggested by Cole (1997, p. 353) that the challenges that women of family businesses encounter are because of the traditional gender roles attached to females. Involvement in the family business by women can be visible or invisible (Gillis-Donovan & Moynihan-Bradt, 1990, p. 153). Consequently, Dumas (1998, p. 219) notes how women in family-owned businesses have traditionally been considered as "invisible successors" because of "traditional family business configurations, which have focused on the male founder and heirs." Aldrich (1989, in Dumas, 1998, p. 219) explained why women had limited access to entrepreneurial activities using sociological theories of social structures of workplace, family, and organized social life. A finding of a study conducted by Dumas (1989, in Dumas, 1998, p. 220) suggested daughters were "usually overlooked as potential successors unless a family crisis creates the opportunity for them to take the leadership role." Furthermore, Rowe and Hong (2000, p. 2) draw attention to the contribution of tradition to the invisibility of women in the family business. They argue although women may contribute to the well-being of the family business, cultural tradition, defines work for women primarily along home responsibilities. Galino and Vinturella (1995, p. 178) argue there is bias in family business succession because females are not encouraged to avail their services as potential leaders but note that "primogeniture, the exclusive right of the inheritance of the eldest son, no longer rules" (Galino and Vinturella, 1995, p. 181) – view supported by Cole (1997, p. 355) and by findings of this current study.

Traditionally, the succession decision focuses on a younger generation of family members take over (Bjuggren & Sund, 2001, p. 11). In addition, Kirby and Lee (1996, in Lee *et al.*, 2003, p. 658) observe the trend for family businesses to transfer leadership to families' offspring regardless of their inability to manage the business because of being under qualified. On the contrary, in this current study, founders in this value set had chosen women and siblings as the successors of the family business and they had not limited succession to the next generation only as successors could come from the same generation. Thus, their behaviour was considered to be *navigating* because of their actions to go beyond the son as the successor. In addition, their choice of successor was driven by the belief that the successor had the capabilities to lead the family business. Salganicoff (1990, p. 131) believes that some of the characteristics by which women describe themselves such as "loyalty to the

business and family, concern for the needs of all members...flexibility regarding roles and judgements are vital" for the success and survival of the family enterprise.

7.3.2.3 Choosing a successor: Founders' with a transitional value set

Founders with a *transitional value set* chose what I labelled 'surrogate successors' who were appointed the caretakers of the family business until such a time the preferred successor could assume the leadership. Similarly, to the *progressive value set*, founders had selected other family members and in some instances were considering non-family members. Thus, this behaviour was labelled *exploring* because although they had named surrogate successors, it was not certain that the successor would accept, or that the preferred successor would take over in the future as they still wanted the business to remain in the family. Other studies have indicated this strategy of finding interim successors. Lee *et al.* (2003, p. 663) in their study found that in cases where the family business where successors were poorly qualified, there was a succession dilemma and founders used the 'seat-warmer' strategy to overcome it. This strategy entails appointing an agent (someone who is not offspring) temporarily until an offspring becomes suitably qualified to assume the position. Lee *et al.* (2003, pp. 663-664) provide examples of Chinese and Korean family businesses who do not have sons but unwilling to hand over to daughters will hand the businesses over to their son-in-laws. Similarly, in the Japanese context, son-in-laws often assume the leadership, however, they have to assume the name of their in-laws, and this is usually accompanied by their relocation into the wife's home (Lee *et al.*, 2003, p. 664).

From the extant theory, social capital theory appeared to the most relevant theory to explain the behaviour of founders with either the *progressive value set* or the *transitional value set*. Field (2003, p. 1) posits the central assumption of social capital: "By making connections with one another, and keeping them going over time, people are able to work together to achieve things that they either could not achieve by themselves, or could achieve with great difficulty." Thus, by connecting through social networks, one is able to accumulate resources that can be drawn from in

different settings to facilitate action (Halpern, 2005, p. 4; Field, 2003, p. 1; Lin, 2003, p. 55). Lin (2003, p. 55) explains that such resources can be ascribed or acquired, where ascribed resources are those a person is born with such as gender, religion, parental resources and thus, prescribe issues such as inheritance and those acquired resources include education and status for example. Halpern (2005, p. 10) extends the discussion by providing the components of social capital which include "a network; a cluster of norms, values and expectancies that are shared by group members; and sanctions – punishments and rewards – that help the norms and the network."

Thus, in this study, the behaviour of founders classified in the *progressive* and *transitional* value sets are aligned to social capital theory because it was reflected in their choice of successor. In addition, the founders relied on their network of social relations, which included family and non-family members to help them realize their vision of the family business continuing beyond them. Consequently, founders were open to selecting people they believed would help them work towards realizing their vision. This finding supports research by Perricone *et al.* (2001) who in a study of 29 family-owned family businesses from three ethnic communities (namely Cuban, Italian, and Spanish) found that businesses were able to manage transitions successfully by relying on familiasm.

7.3.3 Succession planning as planned change

As part of their integrative model for succession in the family business, Le Breton-Miller *et al.* (2004, pp. 318-319) outline the succession process as having four stages. The first stage, establishing ground rules, focuses on creating a vision for the future of the enterprise, guidelines pertaining to the selection, choice, and training of the successor, governance guidelines, time frame, roles of people involved in the succession. The second stage is the nurturing and development of the successor(s) and includes formal training, on-the-job training, outside experience, incumbent-successor interaction. The selection of the successor is the third stage based on the guidelines established in the first stage but may be revisited given the situation at the time. The final phase in the model is the hand-over to the successor, however, a plan for the phasing out of the incumbent and their new role needs to be established. The findings

of this study show that founders had begun the succession process as indicated by the theory of *Passing the Spear*, which integrates some of issues outlined by Le Breton-Miller *et al.* (2004) first three stages and the first two stages outlined by Morris *et al.* (1996) in its succession planning process. However, it differs from the models presented in that the selection of the successor occurs quite early in the process of planning for succession.

Despite the recognition of the need for succession planning by family businesses, studies reveal a lack of active management or succession planning (Dunemann & Barrett, 2004, p.2; Kaslow, 1993, p. 8). Sharma *et al.* (2003, p. 3) postulate, "succession planning is expected to help improve the probability of success of the succession process." Lansberg (1988, p. 120) defines succession planning as "making the preparation necessary to ensure the harmony of the family and the continuity of the enterprise through the next generation." Similarly, Sharma *et al.* (2003, p. 1) define succession planning as "the deliberate and formal process that facilitates the transfer of management control from one family member to another." Sharma *et al.* (2003, p. 3) synthesize the literature on succession planning and observe the process consists of discrete components which include "selecting and training a successor, developing a vision or strategic plan for the company after succession, defining the role of the departing incumbent, and communicating the decision to key stakeholders." Findings of this study indicate that the founders had similar descriptions of succession planning.

Lansberg and Astrachan (1994, p. 40), using the limited theory on succession planning, argue that family businesses frequently avoid succession planning and the training of a successor and use this assertion to explain the low rate of continuity of such enterprises. Kuratko, Foss and VanAlst (1994) expand this notion, citing three reasons for the lack of management succession plans in family businesses, which include founders being too busy while they are alive to plan for the future, lack confidence in offspring supposed to take over, and founders not paying great attention to the continuity of the family enterprise. Lansberg (1988, p. 120) provides for reasons substantiating the belief that founders do not plan for succession. Lansberg (1988, pp. 125-126) provides examples of why succession planning rarely occurs in family businesses. Firstly, the founder through self-reinforcing behaviour may believe

that they are indispensable to the business so avoid succession planning. Secondly, the founder, due to fear of losing power may resist succession planning, and thirdly, the founder may experience emotions of jealousy and rivalry with the successor. Lansberg (1998, p. 120) adds that failure to engage in succession planning could lead to conflict between heirs and a threat to family's financial well-being.

On the contrary, findings of this current study demonstrate that founders are engaged in succession planning and can partly be explained by founders *being proactive*. The findings of this study suggest that founders knew that for their business to continue beyond them, they had to start thinking about the future and consciously begin preparing for the future. Thus, by *being proactive*, the behaviour, and attitudes of founders regarding succession planning can be explained using planned change theory, which can be located in the bigger realm of organizational change/development theory. There is evidence of family business researchers using planned change theory to explain their findings.

For example, Stavrou (1999, in Sharma *et al.*, 2003, p. 2) adapted the theory of planned change specified by Ajzen (1987, 1990, in Sharma *et al.*, 2003, p. 2) to explain successors' intentions to take over a business. In another study, Sharma *et al.*, (2003) use the theory of planned behaviour to identify the factors that influence the succession planning process. The conclusions from the study ($n=118$) by Sharma *et al.* (2003) indicated that succession planning was mainly driven by the incumbent's belief that succession was feasible in the business and the commitment by the family to the business. Findings from a small sample study of six Kenyan Asian family businesses by Janjuha and Woods (2002, p. 78) indicate that all but one of the six family businesses in their study had begun working on a formalized succession plan. An additional factor that emerged was that at least three of the founders had attended family business workshops and this was seen as a reason as to why they should be committed to formalizing succession planning for the family business.

Harvey and Brown (2001, p. 46) define planned organizational change as a "deliberate attempt to modify the functioning of the total organization or one of its major parts in order to bring about improved effectiveness." Lewin (1951, in Kanter, Stein & Jick, 1992, p. 9) is regarded as the pioneer of studying planned change

postulating that change is a result of actions "that strengthen the driving forces or weaken resistances to change" (Williams, Woodward & Dobson, 2002, p. 284). Lewin's model (1951, in Kanter, Stein & Jick, 1992, p. 10) is a simplistic model that conceptualizes organizational change as having three stages, namely unfreezing, changing, and refreezing. The unfreezing phase is where the recognition for a need of change emerges followed by the changing phase where the action implemented is designed to strengthen the driving forces of change and weaken the resistant forces of change and finally, in the refreezing phase, the organization settles into its new balance (Williams, Woodward & Dobson, 2002, p. 284). This simplistic model offers some insights into explaining the findings of the study in terms of the first two phases. Founders in the study had recognized the need to plan for the change in leadership for the family business and therefore had begun a process of planning for succession and in some instances; the founder had begun implementing their succession plan. It is difficult to assess the relevancy of the final stage of Lewin's model because the focus of this present study was on family businesses that are yet to complete the succession process.

However, Kanter, Stein and Jick (1992, p. 10) are somewhat surprised that this model, which they consider inappropriate, has actually survived this long because it provides managers with a simple approach to planning when planning for change is "an extraordinarily complex process." The reasons they provide for their dismay include that firstly, organizations never freeze because organizations have many personalities and do not refreeze. Secondly, they argue that although stages may exist, they are not linear but overlap and influence each other, a view shared by Clarke (1994, p. 79). Further criticisms of Lewin's (1951) model is presented by Williams, Woodward and Dobson (2002, p. 285) who argue that the model lacks detail because it does not answer questions such as "What causes individuals or groups to cooperate, what causes them to resist." However, Williams, Woodward, and Dobson (2002, p. 285) highlight the usefulness of the model in its ability to conceptualize how to introduce change. Other adaptations of the planned change theory began to emerge and will be presented in the following paragraphs. The findings of this present study indicate that there are other factors that influence the planned change and thus on that basis, Lewin's model is limited in explaining the theory developed for this study.

Another approach explaining planned change is the N-step programmes (see for example, Cummings and Worley, 2001) synthesized by Van Tonder (2004, pp. 202-204) in a 'generic planned change model' where the change process follows a number of stages in a linear manner. In the generic model, planned change has the following stages identifying the need for change; gathering data; developing a change vision; garnering participation and commitment through communication and empowerment; planning the change implementation process; implementing the change; evaluating the change implementation; and institutionalizing the change by reinforcing celebrating or refining the change. Critics of this approach to explaining planned change includes Collins (1998, in Van Tonder, 2004, p. 201) who argues that N-step models do not recognize the "social nature and dynamics of organizations and in particular those of change." Van Tonder (2004, p. 202) provides another criticism of the N-step approach questioning the assumption of 'one size fits all' embodied in such models, which "ignores the role and influence of context..." However, Van Tonder (2004, p. 202) provides some advantages of such models arguing that they enable change facilitators to focus on an organization-specific concept of change, facilitate wide-ranging participation of the workforce in the change process, and are useful as a starting point because change programmes can be tailored to suit specific organizational needs.

Cummings and Worley (2001, pp. 38-39) present general criticisms of planned change models. Criticisms include, firstly, current models are inadequate because there is insufficient knowledge about how these stages would differ across different contexts. Secondly, most of the models describe change as being rationally controlled, a view which is misleading given that change more often than not involves changing goals and uncertainties arising for example. Finally, the models are not able to assess whether the change has led to improved organizational effectiveness given "the lack of sophisticated analyses, and the long time periods for producing results..."

Thus, from the discussion of these different theories of planned change, it would appear that most of the studies of succession planning do integrate to some extent aspects of these theories. The greatest concern I have with such models is their one-dimensional, linear approach to succession planning. Succession planning models (see for example, Venter, 2003; Longenecker & Schoen, 1978) which follow a similar

approach are largely useful in describing or indicating what the process entails, but are inadequate to explain how factors such as culture influence the process. Therefore, the findings of this study do not appear to be best explained using the previous theories of planned change that I have presented but appear to be better explained by the action research model (Cummings & Worley, 2001).

Cummings and Worley (2001, p. 23) present the action research model used in organization change, which is a cyclical process where the initial organizational research guides subsequent action upon which results of the action provides additional information which is then used to guide further action. Such an approach to change requires extensive collaboration between the change facilitator and organizational members. Cummings and Worley (2001, pp. 24-26) outline a cyclical eight step model which include the stages of problem identification by manager/organizational leader, consultation with an organization development expert, data gathering and preliminary diagnosis by an expert, feedback to manager/organizational leader, joint diagnosis of the problem, joint action planning, implementation of action (change), and data gathering after action which may lead to rediagnosis and new action.

Thus, in reviewing the theory of succession planning developed for this study, *Passing the Spear*, the findings indicate that the built-in process of *being proactive* essentially guides the succession planning process because it is after the monitoring of each stage that the founder decides to move to the next stage. This process of reflection indicates that the founder engages extensively with the successor throughout the process and thus, succession planning then moves from being an incumbent-driven process to one of joint ownership with the successor because they are involved in the process together. Furthermore, with the action learning theory to planned change, a fundamental aspect is actually implementing what you have been taught and an aspect found in the last stage of *Sharing the spear*, which provides the platform for the successor to implement what they have learnt.

Harvey and Brown (2001, p. 165) present the main factors which they consider important for the success of planned change which include change agents, extent of change, and time frame for change. Studies by Harvey and Brown (2001) and Amis, Slack and Hinings (2002) suggest that the change agents are important for change

because it is the values held by these individuals that are critical in determining the possibility of change in the organization. In this study, it was found that the reason for founders starting their family business was some form of change and in some cases the change had been planned and in other cases it had been unplanned but brought about because of changes in their circumstances. In both cases, the founders wanted the business to continue within the family and thus, founders in this study had begun planning for succession. Where change had been planned, founders had invested a large amount of resources (time and money) and therefore, founders wanted to protect this investment and where change was unplanned, founders' had had access to fewer resources but had managed to build the business but it was their unfortunate experiences that had driven them to build the business. Having built and grown the businesses, founders in both cases regarded the business as an investment for the family and its survival and thus, as the founder, there was an added impetus to ensure that the business would continue even in their absence.

In terms of the second factor, if the change is minor it will be relatively easier to implement than when it is major and in this study, as do many other studies (see for example, Bjuggren & Sund, 2001) show, succession is a major event. This is because succession requires several changes beside the change in leadership; it may require changes for example, in the culture of the business, business structures, and networks. Thus, as a process, competing values regarding the business may begin to emerge and affect organizational effectiveness. This finding is in support of Quinn and Rohrbaugh (1983) who suggested that organizational effectiveness is influenced by three value dimensions, namely control-flexibility, internal-external, and means-end. Quinn and Rohrbaugh (1983, p. 369) explain the framework as follows: The control-flexibility value dimension has a focus on the organization where at an internal, micro-level, emphasis is placed on the well-being and development of people in the organization and at the external, macro level, the focus is on the well-being and development of the organization itself. The second dimension, internal-external is related to the organizational structure where at an internal level, the focus is on stability and at an external level, the focus is on flexibility. The third value, means-end, places an emphasis on processes such as planning and goal-setting and final outcomes such as productivity. Thus, in terms of succession planning, the founder may find that it may become difficult to balance these competing dimensions because the founder needs to

focus on both the internal (developing the successor) and external (business environment) environment.

In terms of the time frame, the more gradual the change, the more time that is needed for a greater chance of success (Harvey and Brown (2001, pp. 165-166). Degadt (2003, p. 393) argues that family business founders need to consider succession as a process and not an event thus, emphasizing the need for adequate time to prepare, a finding confirmed by the findings of this study. Lansberg (1988, p. 126) suggests that to understand succession planning, it is imperative to consider the stage where the family is in terms of the family life cycle noting that succession planning does not typically occur when the founder enters the final stage of the life cycle. An analysis of the founders in the study showed that succession planning had begun to occur regardless of the family cycle and in most cases, the founders had the successor already working with them in the business either on a regular part-time basis or on a full-time basis.

7.4 THE STAGES OF *PASSING THE SPEAR* IN RELATION TO SELECTED RELEVANT LITERATURE

In this section, each of the stages of the succession planning process of *Passing the Spear* will be discussed in relation to extant theory and family business literature.

7.4.1 *Showing the spear*

The succession planning process of *Passing the Spear* begins with the stage of *Showing the spear* in which the founders of the family business identify an opportunity for the business to continue beyond their involvement. The strategies used in this stage include founders initiating a process of bringing the successor into the family business and managing the family-business interface using relationships.

According to García-Álvarez *et al.* (2002, p. 189), the successor's process of induction into the family business is an integral part of the succession process. Advantages of inducting successors include providing continuity of the business by family members and reducing conflict because all in the family business know the successor (García-Álvarez *et al.*, 2002, p. 189). Berger and Luckman (1966, in García-Álvarez *et al.*, 2002, p. 189) suggest that there are two stages in the socialization process where in the first stage an individual acquires the knowledge and values required for interaction with others. The other stage in the socialization process is referred to as secondary socialization where the focus is on the individual acquiring role-specific knowledge (Berger & Luckman, 1966, in García-Álvarez *et al.*, 2002, p. 190). In a study by García-Álvarez *et al.*, (2002), it was found that the induction process had two stages: family socialization and business socialization. In the stage of family socialization, the emphasis is on developing the children's identification with their family through values transmission and education. This strategy of socialization and induction is similar to the strategy followed by the founders in this current study of bringing the successor into the family business. By bringing the successors into the family business, founders were going beyond choosing the successor.

Morris *et al.* (1997, p. 398) argue although considerable emphasis has been placed in both practice and family business literature on succession planning and preparation of successors, it appears from their study that the focus should be on relationship building. Relationship building accentuates "building trust, encouraging open communication, and fostering shared values among the family members" (Morris *et al.*, 1997, p. 398). Thus, the findings of this study which indicate that in the stage of *Showing the spear*, the strategy of managing the family-business interface using relationships was used by the founders supports the research conducted by Morris *et al.* (1997).

Hwang (1995, pp. 40-42) describes three types of relationships commonly used in modern Chinese family businesses which include affective ties, mixed ties, and instrumental ties based on the different rules of social exchange. The affective ties relationship is normally a steady, long-lasting relationship that an individual may use relationship to obtain social resources and is commonly used between family members. The mixed ties relationship is an interpersonal relationship commonly used

when interacting with other family members, friends etc and its use is dependent on the frequency and quality of interaction and can be used to acquire social resources. An individual when interacting with others with the purpose of attaining specific goals but not to establish a long-lasting relationship uses the instrumental ties relationship. Thus, the nature of this relationship is transactional. Thus, although some aspects of these relationships were similar to those identified in this current study, the main similarity was in terms of having good relationships. This present study adds another type of relationship that founders used to manage the family-business interface is a transactional relationship. In this type of relationship, founders relied on their good relationships to manage the multiple roles that are present in the family business without conflict emerging.

7.4.2 *Explaining the spear*

In this stage, the aim of strategies used by the founders is for nurturing and developing of the successor. The strategies founders use include sharing knowledge and teaching the successor. The findings of this study showed that founders demonstrated values through two modes, namely teaching and role modelling and these two modes were mainly used in this stage. By teaching the successor, the founder was able to communicate aspects of the family business to improve the successor's knowledge and competence, a finding consistent with previous research (see for example, Tourigny & Pulich, 2005; Gibb, 1999). The findings of this study indicate that these strategies may be explained using mentoring literature. Tourigny and Pulich (2005) define mentoring as a "process characterized by shared learning and commitment" to the professional growth of the protégé and is considered an effective approach to leadership development (Daresh, 1995, pp. 7-8) where the experienced person assists an inexperienced individual (Gibb, 1999, p. 1055).

Founders in this current study were committed to *Explaining the spear* and attached great emphasis on the importance of teaching the successor and other family members about the business because they had seen how some Black-owned businesses had failed to continue after the founder had died. Thus, the strategies of knowledge sharing and teaching the successor seem to be consistent with other research (see for

example, Wildén-Wulff & Ginman, 2004; Ipe, 2003) which regarded knowledge transfer as being important because such knowledge could be converted into value for the business from economic and competitive perspectives. In addition, sharing knowledge was one of the values that had emerged.

Mentoring literature distinguishes between formal and informal mentoring (see for example, Tourigny & Pulich, 2005). Mentoring literature describes formal mentoring programmes as being developed “with organizational approval and assistance which usually involves establishing mentoring objectives, selecting and matching mentors and protégés, helping them establish realistic expectations...and establishing the duration and frequency of time spent in specific mentoring activities” (Tourigny & Pulich, 2005, p. 69). On the other hand, informal mentoring is based on relationships where a mentor and protégé through mutual identification and attraction, will form a mentorship partnership (Tourigny & Pulich, 2005). On the contrary, findings of this present study indicate that there was not a clear boundary between formal and informal mentoring. In most cases, mentoring did not follow formalized plans as suggested by Tourigny and Pulich (2004) but rather, it was through delegation of tasks that the founder could evaluate the successor’s learning. This finding is in agreement with Doornbos, Bolhuis and Simons’s (2004) findings that suggested that learning in organizations is more likely to occur through work-related activities in a real work situation. Furthermore, mentoring was an ongoing activity and given the close proximity of the founder and successor working together in the family business, teaching and sharing knowledge occurred whenever the opportunity arose.

Grindel (2003, p. 520) suggests that the mentor should have a variety of skills which include “facilitating, guiding, coaching, managing conflict, problem solving, providing and receiving feedback...building and maintaining relationships and goal setting.” Conway (1995) suggests that the qualities of the mentor should be experience, perspective, and distance. The findings of this study indicated that founders had varying skills but in most cases relied on their business experience when teaching the successors. It was also interesting that most of the founders did not initially have the technical skills required for the business they started but through attending workshops and further training had developed these skills.

Although Gay (1994, p. 4) argues that the shortcomings of informal mentoring include the potential inability of the mentor and protégé not knowing what is going on, the lack of feedback opportunities, hidden costs and objectives of mentoring, this current study offers contrary results. As explained earlier, the founder and the successor worked closely in the family business and the in built process of *being proactive* in the process of *Passing the Spear*, provided founders with an opportunity to monitor the successor's progress. In addition, founders had a clear purpose that developing the successor could assist them when they became the leader of the family business.

Bandura (1997, p. 22) suggests that "most human behaviour is learned observationally through modelling" where based on observing others, an individual may at a later stage, use such observations to guide their own behaviour. Thus, Grindel (2003, p. 520) suggests that role modelling is useful in mentoring. This prior research was corroborated in this current study as one of the methods identified earlier (see Chapter Four, section 4.2.2.1) that founders used to demonstrate their values was through role modelling. Founders, through role modelling were able to display their behaviour in the family business, for example, by adopting participative decision-making structures, resolving conflict internally, and showing a willingness to learn from others.

7.4.3 *Sharing the spear*

The focus of *Sharing the spear* was the empowerment of the successor through the founder using strategies of sharing responsibilities and learning from the successor. These strategies are similar to the findings of a study conducted by Whitley (2003) which found employee commitment to collective problem solving and development of an organization is often achieved through authority sharing in the workplace, which can lead to employee empowerment. Central to empowerment Harvey and Brown (2001, p. 240) is the delegation of power and decision-making, involving individuals so that they develop a "sense of pride, self-respect, and responsibility." In addition, Rijamampianina and Maxwell (2002, p. 3) describe learning in the organizational context as being "related to the empowerment of employees in a manner critical to

their success in meeting the challenges they face at work.” Action learning emerged as the theory that could explain the stage of *Sharing the spear*.

McGill and Beaty (1995, p. 21) define action learning as “a continuous process of learning and reflection, supported by colleagues, with an intention of getting things done.” McGill and Beaty (1995, p. 21) expand that through action learning, people learn with and from others and “through experience by thinking through past events, seeking ideas that make sense of the event...” thus, facilitating people finding “new ways of behaving in similar situations in the future.”

Findings of this study are consistent with other research by McGill and Beaty (1995, p. 95) which found that there are two types of action learning, one which is facilitated by people tasked with developing staff and the other, where an individual wants to pursue personal development becomes involved in an action learning process. In this current study, there were instances where the founder initiated the development of the successor through explicitly sharing their knowledge about the business with the successor. There were few instances in the present current study where the successors pursued personal development and in cases where it occurred, it was largely encouraged by the founder. Action learning can be used for developing individuals in the organization through training where there is an emphasis on acquiring specific, identifiable skills, which add to one’s current portfolio of skills (McGill & Beaty, 1995, p. 184).

According to MacNamara and Weekes (1982, p. 880), action learning is used to describe “a management education model that emphasizes self-development and learning by doing.” Kolb (1974, in MacNamara & Weekes, 1982, p. 887) developed a four-stage cycle learning model where actual experience guides an individual’s behaviour in a new situation, as they would have developed rules and principles based on experience. Studies (see for example, Whitley, 2003, Harvey & Brown, 2001) indicate that an aspect to action learning is to share authority and/or responsibilities with the individual undergoing training and there was evidence of this in this current study. However, authority sharing was mainly limited to family members, a finding consistent with Whitley’s (2003) findings, which indicated that founders of family-owned businesses found it difficult to share authority with non-family members and

where it occurred, it was restricted to tasks where the founder could easily monitor results. A possible explanation for this is that trust is an important aspect in the family business and in most cases founders in this study, indicated that they trusted their family employees more than they trusted non-family employees because they believed that family members would act in the best interest of the family business.

The founders were willing to learn from the successors as they brought in additional skills, which the organization benefited from. The willingness of the founder to engage in the process of learning from the successor was the recognition that despite their experience they could still benefit from continuous learning. The findings indicate that in most cases, the existence of good relationships between the founder and the successor facilitated founders' willingness to learn from the successor. These findings further support other research by Tenskai and Chesmore (2003) who suggest that it is on the basis of strong network ties that two-way interaction, shared understanding, and knowledge transfer can occur.

Leavitt (1972 as cited in MacNamara & Weekes, 1982, p. 888) and similarly, Peters and Smith (1998) emphasize that the learning requirements of managers in the organizational context is different from other contexts and therefore, management development programmes should focus on solving managerial problems in a managerial context. Leavitt (1972, in MacNamara & Weekes, 1982, p. 888) presents criteria to measure the effectiveness of a management development programme. Firstly, the programme has a managerial problem solving focus, secondly, responsibility is shared, thirdly, the programme is designed to facilitate group learning to develop and implement solutions, and finally, the programme provides feedback opportunities. This is supported in this current study. The founders enabled the successors to begin taking more responsibility and through the in built process of *being proactive*, the founders had established feedback mechanisms such as monitoring the successor's input into the business and providing assistance where necessary. In addition, a critical aspect of management development programmes is of empowering the learners, which was evident in the *strategies of learning from others* and *sharing responsibilities* in this current study.

Aspects of the strategies adopted by the founders in this stage can be aligned to Mbigi's (2005) explanation of the African collective learning system, which is similar to action learning. Mbigi (2005, pp. 26-27) describes the practices of African collective learning systems as learning by doing, learning as a collective effort, learning by teaching others, and learning as a social process. Mbigi (2005, p. 50) argues that "organizations, communities and nations need role models...to personify and affirm their purpose, meaning, values and vision." He (Mbigi, 2005, p. 52) outlines a process of creating role models, which includes firstly, selecting an individual who is willing to drive change, secondly, creating a heroic story about the chosen individual, followed by increasing their visibility and repositioning in the community or organization, then branding the individual, followed by encouraging the person to achieve in their chosen field. The result is the creation of a role model who needs to constantly be told the story and who will then live the vision and values of the community or organization. The similarities in the process outlined by Mbigi (2005) in this study are in terms firstly, of selecting an individual, where in this study, there was evidence of the founders doing so. The other similarity was in terms of increasing the chosen individual's visibility in the organization, and in this study, this was done by founders adopting the strategy of bringing in the successor into the family business.

7.4.4 The influence of resilience on the stages of *Passing the Spear*

Another variable that influences the process is the degree of resilience. Coutu (2003, p. 6) observes that most resilience theories overlap in three ways, namely that resilient people have "a staunch acceptance of reality; a deep belief, often buttressed by strongly held values...and uncanny ability to improvise" and argues that these characteristics extend to the organization context. Conner (1998, p. 67) defines organizational resilience as the "ability to absorb large amounts of disruptive change without a significant drop in quality and productivity standards." Resilience emerged as an important stabilizing force that would facilitate the progression through each of the stages.

Resilience in this study was defined in terms of flexibility, which in turn was described in terms of belief systems and family support. It was found that founders were able to adopt the process easier if they had well-developed belief systems pertaining to succession; acceptable behaviour of family members in the family business; conflict management and decision-making structures compared to founders who did not have a well-developed belief system. The finding of the intervening influence of resilience of the succession planning process is a key contribution because it emphasizes the multi-dimensional approach planned change can embody. This is because, the founder is constantly engaging in being proactive but at the same time is ensuring that the business can handle unexpected change and thus, is building the flexibility through belief systems. The nature of resilience in this study is aligned to the critical resilience characteristics as outlined by Connor (1998, p. 67). These include firstly, founders were being positive through self-assurance and accepting the complexity of the family business but recognizing and initiating opportunities, second, being focused and in this study, having clear vision of continuity of the family business. The third characteristic, being flexible was demonstrated in the study by founders having the ability to manage change, fourthly, being organized, where in this study, founders had begun planning for succession, and finally, being proactive which was in-built within the process of *Passing the Spear*.

The other component of resilience is family support and in this case, the founders were able to count on family support regardless of their involvement in the business. Thus, in the study, family businesses that had more visible family support could progress through the process easier than those with invisible family support. Family support is an important aspect of resilience because it is through such support that both the founder and the successor can learn and prepare for the eventual succession.

7.5 SUMMARY

The findings of this current study indicate that founders of Black family-owned businesses are influenced by their value sets in their choice of a successor for the family business. In addition, the founders in this study, contrary to other studies, had begun planning for succession for their family businesses by implementing a process

of *Passing the Spear*, which had three interrelated stages of *Showing the spear*, *Explaining the spear* and *Sharing the spear*. The first, *Showing the spear*, where the focus is on the induction and socialization of the successors into the family business using the strategies of bringing in the successor into the family business and managing the family-business interface using relationships. *Explaining the spear* is the second stage where the founders share their knowledge and teach the successors to develop their leadership capabilities. The final stage of the process is *Sharing the spear*, where the focus is on empowering the successors to start sharing the responsibilities with the founder and where by showing a willingness to learn, founders are able to learn from the successors.

In the study, the influence of the founders' value sets did not influence the implementation of the process, that influence was restricted to the choice of successor. The main influences on the implementation of the process included the family business contextual conditions of definition of family and organizational readiness and the degree of resilience defined in terms of belief systems and support. In this chapter it has been shown that the theory developed in this study was supported by a number of extant theories and literature and thus, it makes a contribution to understanding succession planning within the Black family-owned business context.

CHAPTER EIGHT

CONCLUSION

8.1 OVERVIEW OF THE FINDINGS

The purpose of the study was to develop a substantive theory about succession planning in the Black family-owned context by focusing on the influence of values on the process. The findings of the study indicate that the founders of Black family-owned businesses follow a process of *Passing the Spear* in planning for the succession of the family business. The process of *Passing the Spear* has three stages: *Showing the spear*, *Explaining the spear* and *Sharing the spear*. It emerged that the process of *Passing the Spear* was not linear and although driven by the founder, the success of its implementation rested on the family business *context* conditions, the founder *being proactive* and the degree of *resilience* of the family business. The contextual conditions were described in terms of definition of family and organizational readiness, while being proactive was a continuous process of identifying opportunity, initiating, and monitoring and resilience was defined in terms of flexibility.

The significant findings of the research included the classification of the founder's family business values into three categories, labelled *traditional*, *progressive*, and *transitional*. These value sets were distinguished by their behaviour regarding their choice of successor where founders with a traditional value set exhibited *gatekeeping* behaviour, while the behaviour of founders with a progressive value set was labelled *navigating*, and finally, founders with a transitional value set demonstrated behaviour labelled *exploring*.

8.2 IMPLICATIONS OF THE STUDY

Several implications arise from this study for researchers, practitioners, and Black family-owned businesses.

For researchers, the evidence from this study suggests that using extant theory and literature from non-family business literature may yield deeper understanding of the phenomena in family business research. This was evident in this research as the theory developed on succession planning in Black family-owned businesses could be explained in parts by kinship literature, organizational change theory. Thus, it becomes possible to use existing literature as a lever into exploring family business phenomena in new contexts. In addition, the use of other research methods such as grounded theory have the ability to provide rich insights into family business research and can assist in the development of a theoretical base for the field. The inclusion of cultural aspects into research is important because it allows for understanding of family businesses within their truest context.

The implications for practitioners include firstly, the recognition that in consulting to family businesses, practitioners need to be sensitive to the cultural aspects of the family business such as a founder's value set. The findings of this study suggest that a founder's value set influences their choice of successor. Therefore, in preparing succession plans for the business, practitioners and consultants would need to be aware of any value sets because ignorance of such value sets may lead to plans that founders may not implement, as they do not resonate with their value sets regarding the continuation of the family business. In addition, the study indicates that succession planning is an on-going process thus; it is likely that there needs to be continuous feedback and assistance once a business embarks on the process, especially in situations where there is non-alignment between the founder's value set and the succession plan for the family business.

The study has several implications for the owners and members of Black family-owned businesses. Firstly, the findings of the study suggest that social ties and family networks are important for the continuation of the family business as evidenced by the

choice of successors for founders holding the different value sets identified in this study. In this study, founders with a *traditional value set* looked to their sons to be the founder's successor while founders with a *progressive value set* looked to either their spouses or siblings and founders with a *transitional value set* looked to surrogate successors (family and non-family). Thus, it is evident in this study that family (nuclear and extended) members and in some instances non-family members are important for the founder during succession planning because they may have the necessary knowledge that is needed for the business to continue. Secondly, the findings of the study suggest that there are different ways in which the founder may transmit their own value set to the successor (role modelling and teaching). Thirdly, the findings of the study suggests that founders may use the process *Passing the Spear* to assist them in planning for succession as each phase provides them with strategies they may use to implement their succession plan.

8.3 RECOMMENDATIONS FOR FURTHER RESEARCH

This study raises several areas for further research. Firstly, a study with a larger sample of Black family-owned businesses could be conducted to test the applicability and relevancy of the developed substantive theory. In addition, by using a larger sample, more representation from all the cultural groups in South Africa could be included to assess transferability across different groups. Emerging from this study could be a cross-cultural study of the main ethnic groups of family-owned businesses in South Africa.

Secondly, in this study, values were identified and classified on different levels; however, there was no ranking of these values within the levels. Thus, additional research could be conducted to (a) validate if these values are common to a larger sample; and (b) rank the order of importance of these values within the larger sample. In addition, the family business value sets could be tested for applicability with a larger sample representing (a) Black family-owned businesses from all cultural groupings; and (b) applicability to ethnic groupings in South Africa.

The third area yielding further research is gender-related research. The findings of the study, could be tested within the gender groups of Black family-owned businesses to evaluate applicability, areas of convergence and areas of divergence.

In addition, further research can be conducted to test or explore the influence of the values sets identified in this study on other succession-related issues such as ownership succession planning, estate planning, and governance in Black family-owned businesses. Such research could also be conducted within other South African ethnic groupings.

The final potential area of research is to investigate the family unit of a family business in terms of succession planning to obtain their insight into the process. Thus, this multi-perspective approach would yield rich data that could explain the succession planning process further.

8.4 LIMITATIONS OF THE STUDY

The outcome of this study was the development of a substantive grounded theory that described the succession planning process followed in Black family-owned businesses; however, there are limitations to the findings of this study arising from the research method adopted for the study.

Although the study has produced a substantive theory about succession planning in the context of Black family-owned businesses, the findings need to be interpreted with caution because of the small sample. Thus, findings may not be transferable to all other Black family-owned business in the South African context. In addition, while the study focused on Black family-owned businesses from several cultural groupings, caution must be applied as the theory developed may not be transferable to all these groupings and there may be differences among people from the same culture, which the theory may not have accounted for.

The aim of the study was to explore the influence of family business values on the succession planning process and in this study; only the founder of the family business

was interviewed. Thus, additional insights from family members working in the family business were not captured in the development of this theory and in particular, the insights of the people who had been chosen as the successor. Another limitation was that the sampling technique used – theoretical sampling, could have prevented other potential participants from being included in the study.

The researcher in grounded theory is the main research instrument; therefore, the potential for bias is high. Several strategies were used to reduce the level of bias, which included the use of other interviewers, member checks, and peer reviews. In addition, bias from my personal experience may have entered into the research and thus, similar strategies were used to limit the level of personal bias.

While the Strauss and Corbin (1990) grounded theory method facilitates the inclusion of research participants in the interpretation and development of the substantive theory, some limitations may arise. For example, participants may interpret the findings and emerging theory in terms of their own experiences thereby providing feedback that is aligned to their own experiences. However, to minimize this limitation, the researcher included the peer reviewer and several participants to try and get different feedback. Another method used to reduce this limitation was that of explaining the findings using identified extant literature as the developed theory had yet been tested on a larger sample.

8.5 REFLECTING ON THE GROUNDED THEORY METHOD

The grounded theory method was a challenging method to use but was enriching in terms of understanding research through focusing on the participants understanding of their reality. Despite the procedures provided by Strauss and Corbin (1990), I still found it difficult to use as there were small aspects such as ‘How do I actually do open coding?’ that would emerge from time to time. In addition, it was sometimes difficult to grasp the basic concepts but with assistance from a colleague and reading grounded theory studies, I was able to overcome such challenges.

The first benefit from doing the Strauss and Corbin (1990) method was that I was able to monitor my progress as a researcher because as my confidence grew, I was able to become more creative in using the method. Secondly, I began looking at research differently, I started discovering layers of meaning to other aspects of my research, and I found that I started to develop a questioning mind regarding my research.

If asked if I would use the grounded theory method again, the answer would be 'Yes'.

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APPENDIX A: Interview guide A

ATTENTION:

Reference: Interview questions on Black-owned Family Business

Dear

Thank you very much for agreeing to conduct the interview with me. I am reading for my doctorate study and I am very much interested in Black-owned family businesses, and in particular, culture, as I believe that they are an under-researched aspect of business enterprise in South Africa. Please find areas that I would like to talk about during the interview and please bear in mind that other questions may arise during the interview but I hope that these will give you a clearer indication of my research interests.

1. What makes your business a family business?
2. What makes your business successful?
3. What major crises has the organization confronted? How did this affect the organization? How do you deal with these challenges in managing the family business?
4. How and who makes decisions in the business?
5. What is important to your family about family?
6. What is important to your family about the business?
7. What are the principles or values by which you were raised by? Do you still live by these? Are these reflected in the family business?
8. What is your understanding of the concept of 'Ubuntu'? Do you live by this? Why? Is it important for and in your business? Why?
9. What is the relationship like between the founder and children and his/her spouse and other family members that the business supports?
10. Who are your competitors and how do you think you can be more successful than them?
11. Do you believe that people working in the business should be rewarded the same? Why? Has or does this cause conflict?
12. Who is supported by income generated in the family business?
13. How do you control and manage family members in the business?
14. Has the founder or family planned for succession (the person who will take over)? How? Why/Why not? Who is likely to take over? Why?
15. What is the role of women in the family business?
16. How are the needs of women taken care of during succession?

Thank you for taking the time once again to conduct the interview with me. Please be advised that the information will only be used for research purposes and will not be looked at by anyone else beside myself.

APPENDIX B: Interview guide B

1. How were you raised?
2. Do you have children?
 - How have you raised them?
3. Who do you consider to be family? Why?
4. Why is family important to you?
 - What is the role of your extended family?
5. How do you deal with situations when you have a disagreement with a family member?
6. What do you do during family gatherings?
7. What role does tradition play in your family?
 - What aspects of tradition are important to your family, why?
8. Can you tell me about your relationship with your child(ren)?
 - (a) When they were younger?
 - (b) As they have grown older?
9. Can you tell me about your relationship with your partner?
 - Has the relationship changed over time?
 - o If yes; How?
 - o If not, why not?
10. Can you tell me what happens to someone's things/property when they die?
11. Can you tell me what will happen with your property?
12. What is your understanding of the concept of 'Ubuntu'? Do you live by this?
13. What is important to your family about family?

APPENDIX C: Interview guide C

1. Why did you start the business?
 - What were problems you had when you started?
 - How did you deal with these?
2. How has your life changed since you started the business?
3. How were you raised?
4. Do you have children?
 - How have you raised them?
5. Who do you consider to be family? Why?
6. Why is family important to you?
 - What is the role of your extended family?
7. How do you deal with situations when you have a disagreement with a family member?
8. What do you do during family gatherings?
9. What role does tradition play in your family?
 - What aspects of tradition are important to your family, why?
10. Can you tell me about your relationship with your child(ren)?
 - (a) When they were younger?
 - (b) As they have grown older?
11. Can you tell me about your relationship with your partner?
 - Has the relationship changed over time?
 - o If yes; How?
 - o If not, why not?
12. What is like being a family in business?
13. What are the benefits of running family business?
14. What are the challenges of running a business with family?
 - How do deal with these challenges?
15. What makes your business different from others?
16. Who works with you in the business?
 - If any family members:
 - o Ask which ones and
 - o Why those ones and
 - o When they started working in the business?

- What changed in the business when they joined you?
 - How do you deal with family members working in the family business?
 - How do you deal with family members when a problem arises at work?
 - Who makes the decisions in the business? Why?
17. Can you tell me what happens to someone's things/property when they die?
 18. Can you tell me what will happen with your property?
 19. Can you tell me what would happen where there is a business involved like in your case?
 20. Have you thought of who will take over in your business?
 - Why? Or why not?
 21. Who will take over?
 - Why did you chose this person?
 - How & when will you tell the others of this decision?
 - How do you think that this will be received by other family members?
 - Will this be a problem with your extended family? Why? Why not?
 - How did you make that decision?
 - Is this person working in the business now?
 - If yes; what do they do?
 - If no; why not? When will they start?
 - Have you started preparing them to take over?
 - If yes; how?
 - If no; why not? When will you start?
 - What do you expect this person who will take over to do?
 22. How are the needs of the family taken care currently?
 23. How will these be taken care of when the business is passed to the next leader?
 24. Do you still operate your business the same way like when you started?
 - If yes; Why?
 - If no; Why not?
 25. How do you think the business will change when the new person takes over running it?
 - What problems might they encounter?
 - How can you prepare them so that they can deal with the problems?

