

**FAMILINESS, INTERESTS, AND OPPORTUNITIES:
REFRAMING THE LANDSCAPE OF FAMILY BUSINESS SUCCESSION**

Fanny Lawren

DBA Student 2024

J. Mack Robin College of Business, Georgia State University

flawren1@student.gsu.edu

Sudhir Mehta

DBA Student 2024

J. Mack Robin College of Business, Georgia State University

smehta17@student.gsu.edu

Richard L Baskerville PhD

Regents' Professor & Board of Advisors Professor

J. Mack Robin College of Business, Georgia State University

baskerville@acm.org

Author Notes

Pseudonyms are used throughout the paper.

The authors have no known conflict of interest to disclose.

Correspondence concerning this article should be addressed to Mehta or Lawren.

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ABSTRACT

Family businesses play a crucial role in the global economy, yet the complex process of family business succession remains a significant challenge. Scholarly attention on the survival and successful transition of family businesses across generations has been substantial, although a comprehensive understanding of this phenomenon remains an ongoing area of investigation. Through an iterative process involving literature review, interviews, and data analysis, we sought to uncover the underlying factors that influence the succession process (Babbie & Mouton, 2001; Yin, 2017). Contrary to a predetermined interplay, our approach involved an exploratory examination of multiple attributes. As the study progressed, we confirmed that Socioemotional Wealth (SEW) is shaped by the interplay of familiness and interests (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007; Swab, Sherlock, Markin, & Dibrell, 2020). The cornerstone of our findings is that a high level of SEW requires the alignment of both familiness and interest. However, a robust SEW does not guarantee a seamless succession, thus prompting us to consider the missing link, which we found to be the concept of opportunity (Eddleston, Kellermanns, & Collier, 2019; Shane & Venkataraman, 2000). Our second finding reveals that a successor's decision to engage in succession is rooted in the harmonious coalescence of familiness, interest, and the prospect of business growth. Our empirical cases unveiled diverse scenarios where these factors interacted, thus guiding the formulation of the Familiness-Interests-Opportunities (FIO) model. Our study equips practitioners, particularly founders and succession consultants, to devise tailored succession strategies that cater to the nuanced attributes of potential successors and contextual business circumstances. We provide deeper insights into the interconnected roles of familiness, interest, and opportunity in shaping the trajectory of family businesses.

Keywords: family business, succession, familiness, interests, opportunities, socioemotional wealth

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SYNOPSIS

Purpose

Family businesses are recognized as integral drivers of the global economy, fostering wealth creation, employment generation, and overall prosperity (Eddleston et al., 2019). Scholarly attention has converged on the survival and seamless generational transition of family businesses (Gómez-Mejía et al., 2007). Within this context, the unique strengths and advantages that arise from the family nature of the business are explained by familiness (Habbershon & Williams, 1999). Familiness has emerged as a valuable framework for understanding family business succession (Sharma, Chrisman, & Chua, 2003).

This study delves deeper into the dynamics of family business succession by further exploring the concept of familiness. Our research seeks to contribute to the existing literature by bridging the gap in our understanding of how the convergence of familiness with personal interests influences the transition process in family business succession, an area that has received limited attention in previous research (Gómez-Mejía et al., 2007).

Problem of Practice

Family businesses face unique challenges when it comes to ensuring a seamless transition of ownership and management to the next generation. While previous studies have explored the role of familiness in family business succession (Habbershon & Williams, 1999), a comprehensive framework integrating multiple theories into a unified model for successful family business succession is conspicuously absent.

With family businesses playing a pivotal role in the global economy—contributing substantially to wealth creation, employment opportunities, and overall prosperity (Eddleston et al., 2019)—their prevalence is undeniable, accounting for anywhere from 60% to 98% of all firms worldwide (Le Breton-Miller, Miller, & Lester, 2011). Globally, family-owned enterprises constitute two-thirds of businesses and annually contribute over 70% to the global GDP (Anderson & Reeb, 2003). Given their economic significance, ensuring family business continuity is paramount.

Through exploring various attributes influencing succession, our study endeavors to untangle the intricate dynamics of family business succession. We also aspire to illuminate the nuanced factors shaping the succession process in family enterprises.

Results

The research results highlight three key factors critical to the success of family business succession: familiness, interests, and opportunities. Familiness refers to the influence of family ties, values, and traditions on the business. Emotional attachment to the company and a shared vision and culture maintain continuity between generations.

Interests refer to family members' passions, aspirations and skill sets relevant to the business. Family members with a genuine interest in the business field and industry are more likely to contribute positively to the succession process. A close alignment between the shared values and culture of the family business (familiness) and the personal interests and aspirations of family members contributes significantly to the transition of ownership and management. This alignment enhances the chances of preserving the family's legacy, maintaining continuity, and achieving the desired outcomes of the succession process.

The identification of opportunities within family business succession is shaped by a blend of internal and external factors, guiding entrepreneurial behavior (Shane & Venkataraman, 2000).

This process entails identifying, evaluating, and pursuing new opportunities that create economic and societal value (Chen, Greene, & Crick, 1998). The evaluation of opportunities can be subjectively influenced by individuals' risk tolerance and self-confidence.

The findings indicate that a balance between familiness and interest is necessary for successful succession. The emotional attachment of family members to their family's legacy and the preservation of their family's business drives their decision to take over the family business. In contrast, family members who lack interest in the company or industry or have different passions and values are less likely to be involved in the succession process. The alignment of interests between the successor and the business's offerings increases motivation, satisfaction, and commitment.

In summation, this research validates the critical roles of familiness, interests, and opportunities in achieving successful family business succession. These factors play a crucial role in determining the long-term sustainability and effectiveness of the succession process. They stand as cornerstones for business continuity, family member commitment, and the preservation of family traditions and cherished values. Successors must have an emotional attachment to the business, a genuine interest in its operations, and opportunity recognition to ensure their inclination of succession.

Conclusions

This study embarked on a journey to unravel the intricate tapestry of successful family business succession through the lens of the familiness framework. The findings revealed that familiness is indeed crucial for maintaining continuity across generations, as indicated in the literature. Yet,

the inquiry's mosaic extended beyond this horizon, revealing the pivotal convergence of personal aspirations with the business's essence, as well as the strategic recognition and harnessing of business opportunities. The study highlights the need to consider a holistic approach when planning for family business succession – one that encompasses not only familiness but also personal inclinations and the dynamic business landscape.

Contribution

This research study makes valuable contributions to both academia and practitioners in the field of family business succession. It allows a deeper understanding of the complex dynamics involved in effective succession. By examining the factors of familiness, interests, and opportunities, this study sheds light on the crucial aspects that underpin successful succession in small family businesses. These findings have significant implications for practitioners, particularly founders and succession consultants, providing them with a comprehensive understanding of successor motivations and offering guidance for informed decision-making throughout the succession process. Moreover, the study underscores the importance of nurturing trust between the founder and successor, fostering a smooth transition and enhancing the prospects of successful succession.

METHODS

Research Question

What are the determining factors that motivate the family's second generation to embrace the responsibility of business, leading to a smooth transition?

Method and Design

This research adopts a case study approach to examine the interplay between familiness, other factors such as interests of family members, opportunity recognition, governance, communication, external environment and successor development, in the context of family business succession. Multiple family businesses engaged in or having undergone succession are meticulously examined to explore the dynamics of socioemotional wealth (SEW) and familiness and their influence on succession. This methodological choice allows for an immersive exploration of complex phenomena within their real-life context, facilitating an inquiry into the “how” and “why” behind the succession tableau (Yin, 2017). It also enables examining the contextual details and social processes involved in family business succession.

Data Collection, Sample, and Analysis

Purposive sampling is employed to select cases that meet specific criteria: small family businesses that have experienced or are in the process of succession. The data collection methods include semi-structured interviews with open-ended questions. The interview protocol comprises a series of questions exploring participants' experiences and perceptions of the succession process. The qualitative data collected from the interviews are analyzed using content or thematic analysis to identify emerging patterns and themes. The sample consists of 14 interviewees from six companies in five industries, including business founders, successors, and second-generation individuals who chose not to be successors in the businesses.

MAIN

Practical Problem

Family businesses are a significant driving force in the U.S. economy, constituting a staggering 90% of all businesses and delivering a formidable 64% of the GDP (U.S. Census). However, the successful transition of these businesses to subsequent generations remains a significant challenge. The alarming reality is that only 30% of family businesses make it to the second generation, 12% to the third generation, and a mere 3% to the fourth generation (Ward, 2016). Our business concern, as practitioners, centers on understanding how elements like familiness impact the overall success of family business succession. By investigating these factors, we aim to create a framework that offers practical strategies to improve the odds of successful transitions in family businesses and secure their long-term sustainability.

Literature Review

Understanding the dynamics of family businesses and their unique challenges, such as succession, is crucial for their long-term sustainability and success (Ward, 2016).

Family businesses are distinct due to the interweaving of family and business systems, where family ties influence ownership, control, and management (Chua, Chrisman, & Sharma, 1999). These businesses span various industries, from local enterprises to global corporations. Unique features, such as shared values, family reputation, and long-term focus, shape their decisions and actions (Chua et al., 1999).

Family business succession involves the transfer of ownership, leadership, and management from one generation to the next, significantly affecting the business's continuity and performance (Chua et al., 1999). Successful succession requires careful planning, effective

governance structures, and consideration of multiple stakeholders' interests, including family members, employees, and external stakeholders.

Numerous theoretical perspectives shed light on family business succession. These theories offer insights into the motivations, challenges, and outcomes of succession processes. Notable theories include Agency Theory (Jensen & Meckling, 1976), Stewardship Theory (Davis, Hampton, & Lansberg, 1997), Social Exchange Theory (Blau, 1964), Human Capital Theory (Becker, 1964), Identity Theory (Stryker & Burke, 2000), and Socioemotional Wealth (SEW) Theory. SEW theory highlights the non-financial dimensions of family businesses, such as emotional attachment, family influence, and legacy preservation (Gómez-Mejía et al., 2007). SEW considerations influence decision-making during succession, as family members seek to protect and enhance their socio-emotional well-being (Swab et al., 2020).

A prominent perspective gaining traction is familiness, rooted in the resource-based view, which emphasizes the unique resources and capabilities resulting from the interaction of family and business systems (Habbershon & Williams, 1999). It crucially shapes the succession intentions, decisions, and outcomes.

Zellweger and Sieger (2012) highlight the significance of leveraging the unique resources embedded in familiness while addressing family's socioemotional concerns for successful family business succession. The relationship between familiness and other factors highlights the complex dynamics and motivations involved in family business succession. By considering these theoretical perspectives, researchers and practitioners can gain valuable insights into the factors shaping succession.

To provide a comparative analysis, the table below summarizes key points from the 10 most cited articles, including the 5 seminal articles, in the field of family business succession, relating to the concepts of Familiness:

Title	Authors	Key Points	Relevance to Our Study
A resource-based framework for assessing the strategic advantages of family firms	(Habbershon & Williams, 1999)	Familiness is a critical factor influencing the strategic advantages of family firms.	Explores the concept of familiness and its impact on strategic advantages in family firms.
Defining the family business by behavior	(Chua et al., 1999)	Behavior, rather than ownership structure, defines family businesses, influencing their decision-making.	Highlights the behavioral aspects of family businesses, which may relate to interests and opportunities.
Entrepreneurial orientation in long-lived family firms	(Zellweger & Sieger, 2012)	Entrepreneurial orientation in family firms leads to long-term success, shaped by the dynamics of Familiness.	Examines the role of familiness in entrepreneurial orientation, which relates to interests and opportunities.

Title	Authors	Key Points	Relevance to Our Study
The invisible hand of evolutionary psychology: The importance of kinship in first-generation family firms	(Yu, Stanley, Li, Eddleston, & Kellermanns, 2020)	The concept of kinship is crucial in understanding the dynamics of first-generation family firms.	Kinship is a core component of familiness, aligning with the study's focus.
Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills	(Gómez-Mejía et al., 2007)	Socioemotional wealth considerations influence decision-making and risk-taking in family businesses.	Socioemotional wealth is relevant to familiness, but not directly related to interests and opportunities.
Generation to generation: Life cycles of the family business	(Davis et al., 1997)	Family business succession is a complex process with distinct life cycle stages and challenges.	Addresses family business succession, but does not explicitly discuss familiness, interests, or opportunities.

Title	Authors	Key Points	Relevance to Our Study
Predictors of satisfaction with the succession process in family firms	(Sharma et al., 2003)	Satisfaction with the succession process is influenced by factors such as communication and involvement.	Focuses on succession satisfaction, but not directly on familiness, interests, or opportunities.
The family: The missing variable in organizational research	(Dyer Jr, 2003; Gibb Dyer Jr, 2006)	The family element is essential for a comprehensive understanding of organizational research.	Focuses on the importance of the family element in organizational research, not specifically on familiness, interests, or opportunities.
A review of socioemotional wealth and a way forward	(Swab et al., 2020)	Socioemotional wealth is a multidimensional construct that influences family firm decisions.	Discusses socioemotional wealth, which connects to familiness but not explicitly to interests and opportunities.
Keeping the family business healthy: How to plan for continuing	(Ward, 2016)	Effective planning and leadership are crucial for the continued success of family businesses.	Focuses on planning and leadership in family businesses, not specifically on familiness, interests, or opportunities.

Title	Authors	Key Points	Relevance to Our Study
growth, profitability, and family leadership			

The findings from these articles demonstrate the complex dynamics and motivations involved in family business succession. They align with our research, which underscores the significance of factors such as familiness, personal interests, and the business environment in achieving successful succession.

Family business succession is a multifaceted process that requires careful planning, effective governance, and consideration of emotional and identity factors. Next-generation leaders play a crucial role, and the concept of familiness, integrating family and business systems, is gaining prominence.

Findings

Familiness, characterized by the influence of family ties, values, and traditions, emerges as a pivotal element in the success of family business succession (Habbershon & Williams, 1999).

This phenomenon underscores the emotional connection to the business, which fosters commitment and aids in conflict resolution during succession (Chua et al., 1999). Familiness encompasses tangible and intangible resources, including shared values, norms, beliefs, and practices (Habbershon & Williams, 1999).

In our study, some second-generation interviewees epitomize the power of emotional commitment to their family's legacy and businesses, propelling their decisions to assume

leadership. Their perception of the company as an extension of their family's identity and values reflects the profound impact of familiness.

The role of familiness finds corroboration in previous research (Chua et al., 1999), underlining its role as a distinctive competitive advantage (Dyer Jr, 2003). It is noteworthy that the perception of familiness can vary among family members. Our study shows children's early involvement in the business intensifies their attachment compared to the siblings who are not involved, illustrating the multifaceted nature of familial connection.

However, there are exceptions. For instance, one of our interviewees has worked in his father's business for over a decade. Yet, his attachment does not stem from perceiving it as a family business; rather, it hinges primarily on his relationship with his father. This highlights how attachment to the business's identity can be distinctly experienced.

The findings align with various dimensions of familiness (Frank, Kessler, Rusch, Suess-Reyes, & Weismeier-Sammer, 2017)

1. Ownership management and control: As seen with all our interviewees, emotional attachment significantly influences the decision to take over the business.
2. Proficiency level of active family members: Successor's early engagement culminates in a more profound attachment than his non-involved siblings.
3. Sharing of information between active members: The lack of communication regarding succession plans will lead to misperception or misinterpretation.
4. Transgenerational orientation: The imperative of preserving the family's legacy and ensuring continuity aligns with this dimension.
5. Family employee bond: Successor's emotional attachment potentially extends to their employees, bolstering their commitment.

6. Family business identity: Successors' perception of the business as an extension of their family's values and identity exemplifies this dimension.

Proposition 1:

In light of these findings propose that ***familiness is a critical factor in family business succession***, fostering a shared vision, values, and culture that aid in maintaining continuity across generations.

Interests, encompassing skills, aspirations, personal passions, goals, and values, emerge as another critical factor in family business succession (Ward, 2016). Genuine interest in the business augments the successor's commitment and contributes positively to the succession process.

Some of our interviewees' distinct interests in design, sales and marketing render them suitable candidates for assuming their family businesses. Their complementary skills and passions facilitate effective collaboration driving successful succession. Conversely, interviewees with pursuits, goals, and values that diverge from the business's direction perceive themselves as misfits for the succession.

While aligning interests between the successor and the business is crucial for a successful succession (Ward, 2016), it's essential to recognize that interest alignment alone is insufficient. Factors like familiness and business potential also play critical roles.

Proposition 2:

Building on these insights, we propose that ***succession is more likely when the successor's interests align with the business's offerings***, leading to increased motivation, satisfaction, and commitment.

The convergence of familiness and personal interests becomes the nexus for family members to attain non-financial benefits from their ownership and control over the business (Gómez-Mejía et al., 2007). The concept of family well-being encompasses aspects of family identity, emotional attachment, and social standing.

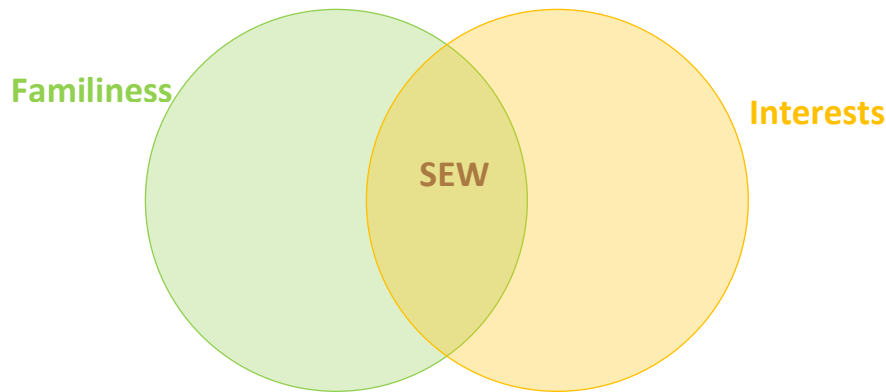


Figure 1. Strong alignment between familiness and personal interests

A significant overlap between familiness and personal interests signifies a robust alignment, translating into heightened emotional and relational values. This alignment fosters successors' deep engagement with the business, driven by their pride in being part of the family legacy and their vested interest in maintaining family control.

For instance, our interviewee Phoebe's case stands as an example where familiness and personal interests do not align seamlessly. Despite assisting her father in starting the business, she lacks interest in it. She expressed, "The business itself does not interest me for many reasons... the idea of building something with my dad was very appealing." Phoebe does not aspire to inherit the business and candidly shared, "Unfortunately, my family's business is not my passion."

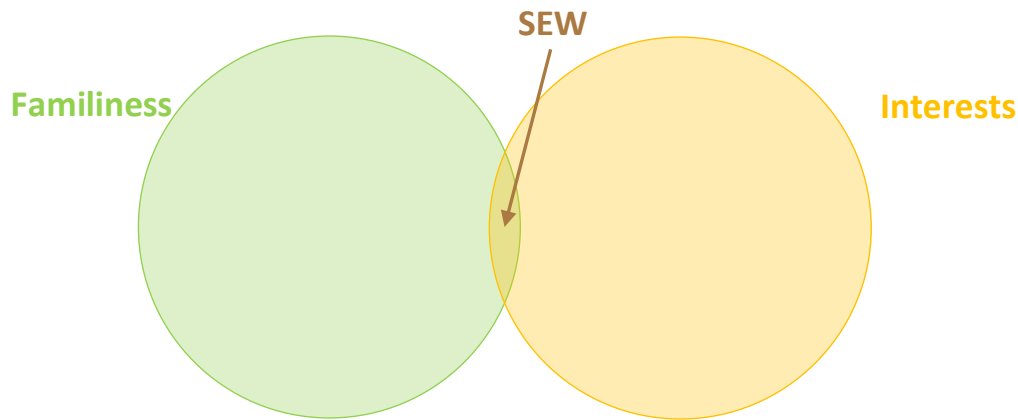


Figure 2. Small or nonexistent overlap between familiness and interests

In situations where there's minimal overlap between familiness and personal interest, socioemotional wealth diminishes or remains absent. Remarkably, even when Phoebe doesn't wish to be part of the business, she retains a desire for its success and the well-being of its employees.

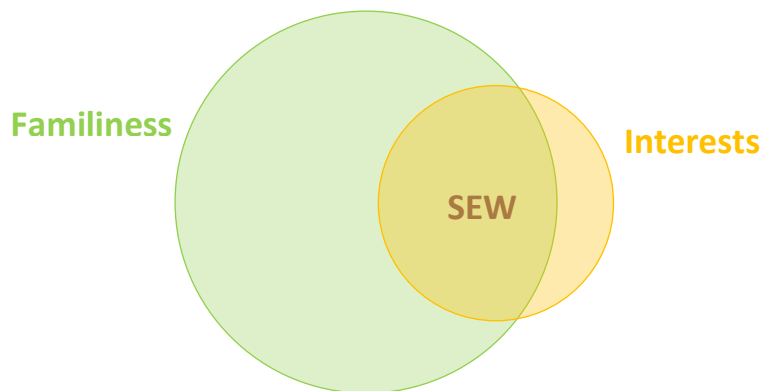


Figure 3. Significant overlap between familiness and interests.

Conversely, Zoe, another interviewee, embodies a strong alignment between familiness and personal interests, manifested in her robust connection to her family's business. Her active engagement, nurtured since a young age, and the cohesive family bond strengthen the business. Zoe emphasized, "I do think family is more important. That is one of the main reasons the

[business does] so well. Even if my family argue over the [business], we're over it the next day... and get back together as if nothing happened."

Zoe takes immense pride in the family business's connection to the community, highlighting their commitment to supporting loyal customers, especially during challenging periods like the COVID-19 pandemic. The business ethos is oriented towards multiple generations, with even her 10-year-old daughter actively participating and learning while interacting with customers.

Proposition 3:

These findings robustly support our third proposition that ***a higher level of alignment between familiness and personal interest increases the likelihood of a succession.***

Opportunity recognition, a pivotal aspect of entrepreneurial behavior, is a product of various internal and external factors. While family and personal interests have been explored, the business dimension merits equal attention. Internal factors encompass the successor's prior experiences and expertise, while external factors encompass market conditions and industry trends (Shane & Venkataraman, 2000).

Tim's case exemplifies this dimension. Like Zoe, Tim's involvement in the family business commenced during his middle school years and continued throughout college. The business was an integral part of his upbringing. He noted, "It's not like I had a hobby or anything I wanted to do. So, I ended up coming back every weekend [when I was in college] and spending time at the [business] helping out." Although his interest did not entirely match the business's specific nature, his strong sense of familiness propelled him to contribute. He emphasized, "It was my choice."

However, as time progressed, Tim and his parents decided to sell the business due to its limited growth potential. They believed Tim's prospects for a promising career lay elsewhere, and their decision was validated. Tim reflected, "Since we sold the property, it is still [the same type of business], but it has already changed owners more than a couple of times."

For a business to thrive, it requires suitable resources, favorable market conditions, and a supportive ecosystem. Growth potential becomes crucial from the successor's standpoint; otherwise, alternative career paths become more enticing. Several elements influence growth opportunities, such as company resources (financial, talent, and successor's capabilities), market dynamics (size, competition, and innovation), and external support (government restrictions, social acceptance, and community approval).

Opportunity recognition entails the identification, assessment, and pursuit of new prospects that generate economic and social value (Chen et al., 1998). Gauging the magnitude of an opportunity can be subjective, as different individuals may interpret the same information differently based on their risk tolerance and self-confidence.

Proposition 4:

Building upon the insights gleaned from our investigation, Proposition 4 emerges as follows: ***Successful succession relies on identifying and seizing business opportunities.***

Even with a strong focus on familiness, aligned interests, and emotional well-being, a family business can face challenges without a viable business model and a growth strategy. Family businesses must identify opportunities for growth and innovation and be willing to take calculated risks to pursue these opportunities (Hitt, Ireland, Sirmon, & Trahms, 2011).

Introducing A New Integrated Model – FIO

The propositions discussed in the previous sections emphasize the significance of multiple factors in the continuum of family business succession, including familiness, convergent interests, and business opportunities. Family businesses can enhance their likelihood of seamless succession and long-term sustainability by considering and effectively managing these factors.

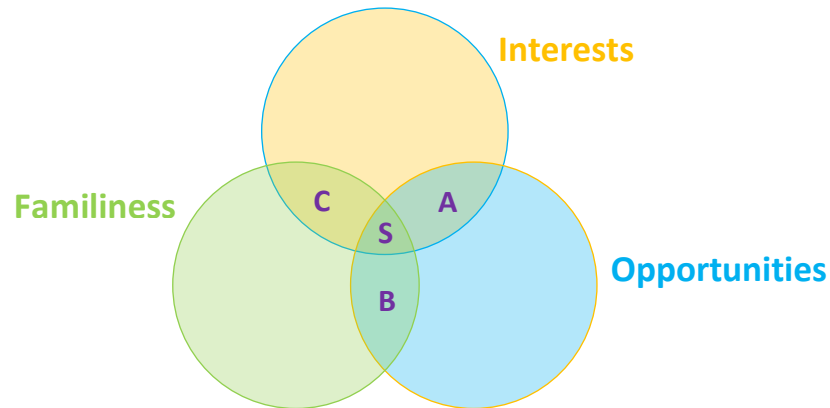


Figure 4. Familiness-Interests-Opportunities (FIO)

Unified by this integrated perspective, we present the new FIO Model encapsulating Familiness, Interests, and Opportunities. This innovative framework recognizes these three elements as indispensable constituents for orchestrating successions within family enterprises. Relying solely on familiness proves insufficient for providing a seamless transition of leadership and ownership. Likewise, dismissing the realm of growth prospects and possibilities within the business can lead to an unfortunate oversight of latent opportunities. Moreover, when a successor's interests align harmoniously with the family business, their emotional well-being tends to be elevated. Conversely, their emotional equilibrium might waver if their aspirations lie beyond the business domain.

An Ideal Succession

An ideal succession seamlessly harmonizes a combination of all three aspects: familiness, interests, and opportunities. Victor's narrative epitomizes this harmonious equilibrium. While working within his family's enterprise, Victor's exposure to his father's steadfast ethos and astute business principles facilitated his practical learning at an early age. However, Victor's progression wasn't driven by the expectation of inheriting the business, but by a desire to garner experience and knowledge.

Victor shares a strong relationship with his father at home and work. He stated they are aligned on what's essential for the business, and he values his father's opinion and expertise. Victor further mentioned that his father is receptive to his ideas and can have meaningful conversations about the business.

Victor enjoys working in the industry and receives support from the business's key personnel. After completing his MBA, Victor gained experience outside the family business before deciding to return. He expressed interest in running a business and found the opportunity to manage and lead an established business appealing.

Victor's familiness and interest are strongly aligned, leading to significant socioemotional wealth. He shared that the motivation behind taking over the business stems from his gratitude towards his parents and the desire to continue their legacy. Victor had successfully taken over the company for four years at the interview, and both his father and his family expressed satisfaction with the succession.

A Less Balanced Succession

Our observations suggest that an inadequately calibrated interplay of FIO factors leads to precarious successions. Instances where FIO factors are lopsided reveal intricate dynamics.

- *Diminished Familiness (A)*: A decline in familiness might detach the business from its familial moorings. This scenario becomes more conspicuous as enterprises expand, becoming appealing to external stakeholders. In cases like conglomerates such as Walmart and Ford, the primacy of familiness recedes, and the business can prosper independently.
- *Sparse Interests (B)*: In instances where genuine passion is lacking but family duties dominate, succession decisions might arise. In such scenarios, the motive to fulfill familial obligations overshadows the resonance with the business or industry, potentially jeopardizing the business's enduring success.
- *Limited Opportunities (C)*: Succession might materialize in situations with scant prospects due to the dearth of alternative avenues or miscalculation by successors. However, prolonged sustainability or seamless generational transfer remains improbable unless the business landscape shifts favorably.

In these divergent situations, the future of the family business remains uncertain, posing challenges to its sustained prosperity.

The FIO Approach

The FIO approach revolves around the nexus where a successor's emotional fulfillment and personal purpose intersect – where familial heritage converges with individual aspirations. Within this domain, the successor finds a sense of purpose and satisfaction derived from their connection to the family business and alignment with their passions and aspirations. Interest encompasses not just personal aspirations, but also harbors an amalgamation of self-confidence, business prospects and family values. Significantly, the research underscores that in the presence

of robust familiness, where the bonds of kinship are sturdy, the successor's emotional well-being and personal contentment are elevated (Swab et al., 2020).

Familiness is an encompassing framework that unveils the intricate tapestry of family dynamics, be it parental relationships, sibling bonds, or family businesses. It explains the inherent advantages of family businesses, setting them apart from their non-family counterparts. The comprehension of both the familial and business dimensions of succession is vital. It is at the confluence of these dimensions that the successor's sense of accomplishment and personal gratification burgeons.

Notably, families scrutinize the business environment when gauging family "wealth." The conviction that their children might achieve better career prospects beyond the family business could sway the founders towards shuttering or divesting the company, thus augmenting the family's wealth.

Our findings substantiate a close relationship between familiness, interests, and opportunities in the domain of family business succession. Furthermore, our research underscores that families account for the broader business panorama while charting the course of their family's enterprise. Should founders perceive better opportunities for their descendants beyond the family business's precincts, they may opt to relinquish the company, prioritizing the family's overall wealth.

Lessons for Practice: A Collaborative Approach to Succession

Our study's implications extend to all stakeholders in family business succession—founders, consultants, and, crucially, successors. Familiness, interests, and opportunities jointly shape success, with successors emerging as pivotal players. They introspectively align their passions, skills, and ambitions with the family legacy.

This process is collaborative. Founders adapt their focus, creating an environment where successors' uniqueness and business potential converge. Our study emphasizes both familiness and business opportunity, guiding this integration of personal passions and business realities. In summary, our research champions inclusivity. Successors actively engage, and founders facilitate. This collective orchestration—driven by familiness, interests, and opportunities—ensures not just a seamless transition, but a harmonious one that resonates with all stakeholders' shared aspirations.

Contributions to Theory

Our study significantly advances the realm of family business succession theory by accentuating the paramount role of aligning a successor's familiness, interests, and opportunities (FIO) for a seamless transition. This alignment positively influences succession outcomes, while misalignment can pose challenges. Importantly, our findings reveal the significant impact of personal interest within the FIO framework:

Interest plays a dual role, enhancing Socioemotional Wealth (SEW) and driving successors' engagement and commitment when they have a genuine interest in the business.

Conversely, successors who take over the business solely due to familiness, driven by a sense of obligation, often experience dissatisfaction, potentially leading to a higher likelihood of transitioning out.

Moreover, our research underscores the equilibrium required between familiness and business potential ("opportunities") within the FIO framework to facilitate successful successions, deepening our comprehension of the forces driving leadership shifts within family enterprises.

Furthermore, we illuminate the impact of the business environment on founders' decisions. The presence of alternative opportunities outside the family business can influence founders' choices, affecting business continuity.

In conclusion, our study enriches the theoretical framework of family business succession. By exploring the interplay between familiness, interests, and opportunities (FIO), we advance our theoretical understanding and offer actionable insights to practitioners navigating the intricate terrain of succession planning.

Keywords

family business, succession, familiness, personal interest, opportunity recognition, socioemotional wealth.

APPENDIX - METHOD

Case Study Approach

For this research on the interplay between familiness, interests, and opportunities in the family business succession process, we employed a case study approach to investigate a select number of family businesses that have either undergone or are currently undergoing succession. The aim was to gain insights into how familiness dynamics influence family business succession and contribute new knowledge to the existing literature.

Data was collected from various sources, including semi-structured interviews with key family members and stakeholders. The collected data were analyzed iteratively to identify patterns and themes, then used to generate theories and explanations.

The case study approach is a research method that allows for investigating complex phenomena within their real-life context. It is handy for exploring and explaining specific events' underlying mechanisms and reasons. Yin's case study method involves conducting in-depth investigations of one or more relevant cases, employing multiple data sources to triangulate findings, and iteratively analyzing the data to generate theories or explanations.

According to Yin (2017), case studies are valuable for exploring complex and previously unexplored phenomena. Using multiple data sources enables researchers to triangulate findings, enhancing the study's validity and reliability (Yin, 2017). Additionally, case studies provide an opportunity for a detailed examination of the contextual factors surrounding the phenomenon of interest, which is particularly advantageous for studying complex social processes such as family business succession.

Baskerville (1999) argues that case studies with a limited number of cases can still yield generalizable insights if the cases are carefully selected and provide sufficient information on the

context and processes being studied. According to Baskerville, the strength of case studies lies in their depth of analysis rather than breadth, as the richness of the collected data allows for a comprehensive understanding of the phenomenon under investigation.

In summary, the case study approach, utilizing Yin's method, is a practical research methodology for exploring complex social processes such as family business succession. Its focus on depth rather than breadth enables a detailed examination of the context and processes involved while using multiple data sources enhances the study's validity and reliability.

Data Collection Strategy

Definition of Family Business in the Literature: Family businesses are enterprises in which one or more families hold significant control or influence over the management and ownership of the business (Chua et al., 1999). A family business is "a business in which two or more members of the same family are involved in the management and ownership of the firm" (Cruz & Nordqvist, 2012).

Definition of Small Business in this Research: A small business is defined as a business with fewer than 500 employees and less than \$50 million in annual revenue (U.S. Small Business Administration, 2021).

Sampling: The sampling method employed in this research is purposive. Purposive sampling is a non-probability sampling technique used to select individuals or cases that meet specific criteria (Babbie & Mouton, 2001). In this research, the selection criteria were that the businesses had to be small family businesses that had undergone or were in a succession process.

Data Collection Methods: The data collection methods used in this research included online interviews with open-ended questions.

Interview Protocol: The interview protocol consisted of open-ended questions to explore the participants' experiences and perceptions regarding the succession process in their family businesses. The questions covered topics such as motivations for entering the family business, challenges faced during the succession process, and strategies to manage these challenges. The interviews were conducted online using video conferencing software and were recorded with the participants' consent.

Samples

We conducted interviews with a total of 14 individuals from six companies across five industries in two states.

Six Businesses:	One business had completed the succession process. Three businesses were in the process of succession. Two businesses had transitioned out of family ownership.
Fourteen Interviewees	Five business founders Five successors Four second-generation family members chose not to succeed in the business.
Five Industries	Finance, hospitality, insurance, manufacturing, and restaurant.
Two Geographic Locations	States of Georgia and New York in the U.S.

Data Analysis

Thematic analysis, a captivating method of data analysis, was employed (Braun & Clarke, 2006). This rigorous approach involved identifying patterns and themes through systematic coding and

categorization. The research progressed through various stages, including familiarizing with the data, generating initial codes, searching for themes, reviewing, defining, naming, and producing a comprehensive report. Both deductive coding, based on the theoretical framework, and inductive coding, which allowed for emerging themes beyond the framework, were utilized.

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