ABSTRACT

This study presents an outline of existing entrepreneurship and succession planning research within family business area. Initially, the body of research relating to entrepreneurship, family businesses and succession will be outlined. Then, more specifically, the current state of both entrepreneurship and succession planning and their overlap with family business will be considered. Finally, areas of this body of literature that would benefit from further research will be explored, concluding a summary and research questions. The objective of this article is to bring awareness of overlaps in entrepreneurship and family business literature, specifically looking at the succession process and succession issues.

INTRODUCTION

There are three constructs that frame this study – entrepreneurship, family business, and succession. These constructs are studied individually with the intention to provide an overview of gaps in literature when considering these three areas of business literature. The objective of this article is to bring awareness of overlaps in entrepreneurship and family business literature, specifically looking at the succession process and succession issues.

Historically, “business” and “family business” were synonymous. Only one hundred years ago there was no need to differentiate between the two. In the present day, definitions’ of family business vary and continue being superseded by reviews of the family business definition (Astrachan, Klein, & Smyrnios, 2002; Brockhaus, 2004; Chua, Chrisman, & Sharma, 1999; Handler, 1989b). Entrepreneurship has had a similar definitional discussion (Bruyat & Julien, 2001; Cunningham & Lischeron, 1991; Shane & Venkataraman, 2000), not to mention historical discussions (Baumol, 1968; Hérbert & Link, 1988; Kirzner, 1979; Schumpeter, 1934, 1954; Wilken, 1979). Presently there is a joining of the two bodies of literature. Although entrepreneurship and family businesses are not synonymous they are inherently linked in many situations. An example may be how an entrepreneur, in the first instance, can be reliant on the immediate pool of resources within the family to start a venture. Furthermore, many businesses as they pass across generations are inherently entrepreneurial in nature thereby allowing them to survive and flourish in often rapidly changing environments.
Figure 1 will guide the discussion in terms of the overlapping constructs and the nexus culminated in the intersection of entrepreneurship, family business, and succession.

Figure 1: Family business, entrepreneurship and succession nexus (Woodfield, 2007b)

In each of the primary areas of interest (entrepreneurship, family business, and succession), there is relatively extensive literature. The overlaps, however, are disproportionate. The entrepreneurship/family business overlap (4) and the family business/succession overlap (5) have been gaining ground in the literature, but the entrepreneurship/succession overlap (6) is not spoken for to any large extent, and the entrepreneurship/family business/succession nexus (7) is representative of significant literature in the primary areas of interest, but the combination is virgin.

The preliminary views of this article are part of a larger thesis study. While the study is internationally focused, for the purpose of this paper conclusions will be directed at the New Zealand context. Due to the exploratory nature of the research the methodology consists mostly of research from academic journals, texts and relevant surveys. First, the state of entrepreneurship and family business literature will be looked at.

EXPLORING THE CONSTRUCTS

1. Entrepreneurship

Traditionally, much business research has focussed on functional disciplines such as marketing, operations, management, finance and human resources. It has taken considerable time for research to move beyond these functions to business innovation and entrepreneurship. Increasingly however, these aspects are being considered and there is now a burgeoning body of international entrepreneurship literature. In addition, many business schools are now teaching entrepreneurship skills.

However, there continues to be considerable confusion surrounding “the” entrepreneur and the meaning of entrepreneurship. The literature suggests many definitions and variations of the word “entrepreneur;” however, frequently the historic foundation and meaning is lost. The definition started clean and simple – a person who undertakes a project, for example a manufacturer or master builder.
Although simple, this definition presents a rich definition. For example, it is often argued that an entrepreneur is serial in his approach – starting one project and once finished, moving onto the next. This is not to mean he has not left his previous project in a state that it cannot be managed without him. Take a building project for example. Once the building is built it is left in the hands of people that will maintain it. It can subsequently be sold and may eventually meet its demise unless of course it is redesigned refurbished - recreated in some way. Bruyat and Julien (2001) present the foundations of entrepreneurship research, and indeed its definition, as a summary of key influencers in the field (Table 1).

Table 1: Foundations for dominant positions concerning the entrepreneur (Bruyat & Julien, 2001, p.167)

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<tr>
<th>Author</th>
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<td>Cantillon (17th century)</td>
<td>“The entrepreneur is someone who assumes the risk and may legitimately appropriate any profits.”</td>
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<tr>
<td>Turgot and Say (17th century)</td>
<td>“The entrepreneur is different from the capitalist, who assumes the risk or uncertainly—the entrepreneur obtains and organizes production factors to create value.”</td>
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<tr>
<td>Schumpeter (20th century)</td>
<td>“The entrepreneur performs the function of innovation that enables the liberal system to persist by going beyond its contradictions.”</td>
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Baumol (1993) went a step further to suggest the former authors, Cantillon and then, Turgot and Say, define the entrepreneur as firm-organising where Schumpeter’s entrepreneur is innovative. This distinction between function and innovation has dichotomised our view of an entrepreneur. On one hand an entrepreneur is someone who assumes an act of entrepreneurship by starting an already tested enterprise (e.g. grocer, fast food), while on the other hand the innovating entrepreneur creates an organisation through trial, error, blood sweat and tears to produce a product/service which is differentiated in the market (Baumol, 1993).

In summary, entrepreneurship is fast becoming a function of present day business. The definition of what is entrepreneurial or not, or who indeed is an entrepreneur, has been analysed, argued, and some might say, butchered. The definition is now in the hands of rhetoric as the word in itself no longer makes sense. For example, “preneur” or “prendre” means “to take”. Entrepreneur means “to undertake” (Hérbert & Link, 1988) – this makes sense. With this in mind, intrapreneur means “to take inside” and technopreneur means “to take technology.” An intensive study by Gartner (1990) into underlying meanings that researchers and practitioners have about entrepreneurship, draws the conclusion that a definition is yet to emerge, but need not emerge necessarily. To this day the discussion continues. What is apparent is the linking of entrepreneurship themes with psychology, economy, policy, and the social environment, to name a few.

2. Family Business

In contrast to entrepreneurship, research into family business is more recent, and certainly fewer business schools teach family business studies (Hoy & Sharma, 2006; Litz, 1997). However, several family business centres have been established recently, possibly indicating the need to differentiate training and advisory services for family businesses. Internationally there has been an awakening to the differences in the culture, growth and sustainability of family businesses versus non-family businesses. In fact, as alluded to above, family business is quietly gaining recognition towards being a distinct discipline in the advisory and training vocations. Many western countries have established a network for accommodating the unique issues concerning family businesses. An example of a network organisation is the Family Firm Institute (FFI) based in the USA. The FFI provides training, advice, networking and collaboration to family business owners and advisors. It also provides a platform for academics to provide a research base to the family business phenomenon through the Family Business Review journal.

Family business literature is concentrated in the Family Business Review. However, special issues of Entrepreneurship Theory and Practice (27(4)) and the Journal of Business Venturing (18(4)) and (18(5)) (Sharma, 2004) make a significant contribution to the literature. A recent cornerstone publication of family business research is the “Handbook of Research on Family Business” (Poutziouris, Smyrnios, & Klein, 2006). A review of these journals illustrates the paucity of family business research relating to the New Zealand business context.
There are various sources of family business statistics – some generalisable, many not. An analysis of the literature shows that family businesses make up a significant part of our society. When you consider 80 to 90% of all business enterprises in North America contribute to no less than 64% of the U.S. GDP and 62% of their workforce are family businesses (Astrachan & Shanker, 2003), it is no wonder there is attention being paid to such a dynamic part of the economy. In addition, a compilation of research facts and perspectives, provided by the FFI, conclude that family businesses make up between 75% of all businesses in the UK, 67% in Australia and over 90% in Italy (FFI, 2005). In contrast, Klein (2000) states that the percentage of family businesses in the UK ranges from 15% to 78.5% in the year 2000, depending on the criteria being used to define a family business. The Ministry of Economic Development in New Zealand does not clearly show what proportions of New Zealand businesses are family-owned, but there is generalisable evidence from North America, Europe and Australia suggesting that a large number of small businesses are centred on the family.

In stating this, a survey conducted from Australia recently looked specifically at New Zealand family businesses (Smyrnios & Dana, 2007). The evidence from this survey showed New Zealand as being similar to many other countries in the world with regard to its family business statistics. The sample for the MGI New Zealand Family and Private Business Survey was random selection of 5000 companies in proportion to New Zealand’s “regions, industry, number of employees, and sales turnover” (Smyrnios & Dana, 2007, p.12). It was reported that 70% of businesses surveyed are family businesses with the larger proportion being first generation (57%), subsequently halving in the second generation (30%) and halving again to the third generation (13%). Other recent studies on succession show that approximately one-third of post-start-up family businesses survive and reach the second generation of ownership; 12% will still be viable into the third generation, with 3% of all family businesses operating at the fourth-generation level and beyond (Ward, 1987, as cited in Astrachan & Shanker, 2003, p.216). These results are not unusual. According to Kets de Vries (1993), about 3 out of 10 family businesses make it past the first generation and only 1 in 10 make it through the third generation. This poor scorecard for family businesses is a concern, and in essence disappointing given that the main threat to the business may be the family members. In light of this survey, it is estimated that New Zealand family businesses contribute to over 50% of the workforce (FFI, 2005; Glassop, Ho, & Waddell, 2006; Smyrnios & Dana, 2007). What appears to be a downward spiral is an opportunity to investigate and influence family businesses to be vigilant in making their businesses sustainable within the family. We need to gain sufficient knowledge around the reasons some businesses do not maintain family control and understand the successes of those that do maintain continuity within the family.

One of the inconsistencies in family business research is agreement upon what constitutes a family business, and when does a family business cease to be defined as a family business. Chua, Chrisman and Sharma (1999) carried out a review of 250 family business papers, which excluded papers that did not define family business explicitly or differentiate between family and non-family businesses. From these articles, 21 definitions were chosen for their common link to describing the degree or nature of family involvement. The resulting observations were that governance and management were undifferentiated in most definitions, but the definitions had three qualifying combinations of ownership and management. Firstly, all definitions agreed that a business that is family owned and managed is a family business. Second, there was disagreement between authors whether a family owned but not family managed business constituted a family business. Third, the authors disagreed whether family managed but not family owned constituted a family business, which was the least preferred combination of the three.

However, from this point the definition becomes even less clear. A variety of scholars have attempted to review definitions, and consolidate what is known about a family business into a single definition (Chua, Chrisman, & Sharma, 1999; Handler, 1989a; Litz, 1995). No one definition has gained widespread recognition. Sharma (2004) clarified this phenomena by suggesting that various authors have “captured the varying extent and mode of family involvement in firms”, which can be boiled down into three general directions outlined in Table 2.
The development of the “F-PEC scale” may have assisted in assessing the extent of family influence on a business organisation. The F-PEC scale, presented by Astrachan, Klein and Smyrnios (2002), considered three important dimensions of (f)amily influence – (p)ower, (e)xperience and (c)ulture. The scale presented researchers with a way to break down the family business into subscales. The power dimension is the influence a family has on ownership, governance and management. The experience dimension relates to succession and the number of family members contributing to the business, and the culture scale relates to family and business values. This use of a scale has been described as a way to “encourage researchers to move away from bi-polar treatment of firms as family or non-family firms toward exploring the mediating and moderating effects of family involvement” (Sharma, 2004, p.4). The F-PEC scale has been reviewed and used by a number of authors (Björnberg & Nicholson, 2007; Chrisman, Chua, & Steier, 2005; Corbetta & Salvato, 2004; Jaskiewicz, González, Menéndez, & Schiereck, 2005).

A broad definition of family business provided by Colli (2003) has three elements – kin, property and control. Kin is defined as people either related by blood or marriage within a particular cultural framework. Property relates to ownership of an enterprises’ capital and control is the authority over the strategic management of the business. Aldrich and Cliff (2003) take another angle by explaining that the two social institutions, family and business, have become differentiated from each other to the point that scholars are obliged to refer to “family business” even though a majority of businesses in most countries are owned by households. This is further confused by the changing face of what constitutes a family. Aldrich and Cliff (2003) comment that over the past one hundred years, family composition, roles and relationships have all changed. Specific examples include the increased number of single person households and cohabiting-couple households.

There is no one all-inclusive definition of family business, despite numerous attempts to compose such a definition. For the purpose of the current research, the definition proposed by Chua, Chrisman and Sharma (1999) will be adopted as a guideline, due to its depth and inclusive nature:

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

This definition brings together the ingredients of a family business (governance, management, and family) and provides a platform on which sustainability is recognised through vision. Vision can change across the generations but if underpinned by family principles and the influence of the founder, the intrinsic value of the vision can be sustainable, and distinctly recognisable, across generations. In addition, at the core of this definition is the fact that the business needs to be controlled by a dominant coalition of family members. This is critical to the culture and values of the business.

Aside from the statistics and definitional issues, a review was conducted as to the levels at which family businesses can be researched. Sharma (2004) identifies four levels of analysis for family business studies. First, there is the “individual level” which is “any group or individual who can affect or is affected by the achievement of [a] firm’s objectives” (Freeman, 1984, as cited in Sharma, 2004, p.9). Sharma split the individual level into internal and external where individuals that are involved in the business such as employees, owners, or family members, are internal, and those that have no link as an employee, owner or family member but influence the long-term survival of the business, are external. The individual level of analysis is further broken down into four categories – founder, next-generation, women, and non-family members. Second, there is the “interpersonal/group level.” This includes contractual agreements, sources of conflict, management strategies and intergenerational transitions. Third, there is the “organizational level” which looks at the unique resources a family

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<td>Development of scales to capture various types of family development</td>
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<td>Development of family firm typologies</td>
<td>(Sharma, 2002)</td>
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business has - the way the family interacts with the business can result in both benefits and challenges and needs to incorporate the role of family beliefs and culture. Fourth, there is the “societal/environmental level” which concentrates on the economic importance of family businesses in various countries.

In summary, family businesses make up a large part of all businesses. Although there are contending definitions for the family business there is agreement on the importance of family in the business context. Family business research is young but thriving. There is much to be benefited from exploring the overlaps with general business functionality - not to mention the re-creation of a family business over generations. There is no doubt there is a strong link with entrepreneurship and it is a given that succession is somewhat synonymous with family business literature.

3. Succession
Succession (continuity) is a process, not an event (Gersick, Davis, Hampton, & Lansberg, 1997, p.271; Lansberg, 1999, p.6). This distinction makes it clear that succession is not merely a task but important to the life and future of a business. In other words, using a monarchy as an example, succession is what happens upon the death (event) of the Queen, but the grooming of the successor (Prince/Princess) is part of the process.

The succession process can be addressed by looking at the previously mentioned four levels of analysis. In particular, at an “individual level” attention will be paid to the founder(s) and the next generation(s) – both are important when discussing succession concerns. The literature recognizes the importance of the founder due to their influential position, centrality of their position and tenure as both (Sharma, 2004). The founder culminates the entrepreneurial vision and culture of a family business initially, which in turn the vision and culture needs to be translated into the next-generation through the “interpersonal/group level” sub-category of intergenerational transition. A dominant feature in this field of study is succession (Handler, 1994; Ibrahim, Soufani, & Lam, 2001; Miller, Steier, & Le Breton-Miller, 2003; Murray, 2003; Sharma, Chrisman, & Chua, 2003). There is some speculation that there is a tendency for the founder to prefer to retain control past their tenure. This is based on the rationale that current legal systems in many western countries demand a separation of ownership and control. In New Zealand there is a separation between governance and management, although in the case of a family business it is possible to have the link through the family. Also, there are reputation benefits and competitive advantages that can be retained through leadership within the family and idiosyncratic knowledge that is more efficiently transferred through the family members (Sharma, 2004). At this point, it is worth noting that succession can have different dynamic from generation to generation, and succession to succession. This will be explored further on in this study.

Having reviewed the constructs, it is the intersection between these constructs that are of particular interest in this research and where further exploration is valuable. First, the family business/entrepreneurship overlap will be reviewed, followed by the family business/succession overlap. These are prominent overlaps in the literature where the entrepreneurship/succession literature is sparse.

EXPLORING THE OVERLAPS

As outlined in the constructs there are some intriguing overlaps that can be explored. In brief there is consideration of the founder and subsequent successors being entrepreneurs. Also, there is the important consideration that family businesses need to recreate over generations.

4. Entrepreneurship/family Business Overlap
Entrepreneurship is important to the sustainability of a family business – but may in some circumstances be detrimental to it. Entrepreneurship suggests creation (and re-creation) of products and services, and some evolvement of the business to provide sustainable growth. Given the at times unique dynamics of a family business, the potential for aversion to entrepreneurial change is significant.

Fletcher (2004) observed that “the relationship, intercept or overlap of entrepreneurial and family domains in the context of small and/or family businesses is an important, yet underdeveloped, area of research” (p.36). The intersection of family business and entrepreneurship has been discussed from many different angles. These include organisational culture and entrepreneurial processes (Hall, Melin,
managing social capital with next-generation entrepreneurs in family businesses (Steier, 2001), entrepreneurial risk taking in family businesses (Naldi, Nordqvist, & Sjoberg, 2007; S. A. Zahra, 2005), entrepreneurship research having a family embeddedness perspective (Aldrich & Cliff, 2003), and the role of family members in entrepreneurial networks (Anderson, Jack, & Dodd, 2005). A study that represents common themes between the entrepreneurship and family business domains is Hoy and Verser’s often referred to “Emerging business, emerging field: Entrepreneurship and the family firm” (1994). Their question is “what is the nature of the overlap between entrepreneurship and family business?” based on Gartner’s eight ideas or themes in the study of entrepreneurship (Gartner, 1990). Figure 2 shows the overlap of the entrepreneurship and family business domains on a continuum, which provide guidance for further research rather than conclusive empirical evidence. Nonetheless, the overlap between entrepreneurship and family business makes sense and recognises the similarities between the two.

Figure 2: Source: Hoy and Verser (1994, p.18)

Of the common areas between the entrepreneurship and family business domains, several themes stand out as relevant for the current study. The “entrepreneur” and “innovation” are important because they feed the “growth” and “vision” (further down the themes) of the business. In addition, the “owner/manager” theme is relevant in terms of the “business/family life cycle” and its relationship to succession planning and sustainability.

Family business and entrepreneurship overlaps with the early experiences in the entrepreneurs’ family, including family involvement and support during start-up. This can include employment of family members and the involvement of family members in ownership and management succession (Dyer & Handler, 1994).

5. Family Business/Succession Overlap

Of the topics discussed in family business literature succession is one of the more prominent. Bird et. al. (2002), studied relevant articles from the Family Business Review (FBR), Entrepreneurship Theory and Practice (ETP), Journal of Business Venturing (JBV) and the Journal of Small Business Management (JSBM), which resolved that succession is a popular primary topic in family business research. This is echoed by other prominent authors stating that the “focus of the literature on succession mirrors the primary concern of family business managers.” (Chua, Chrisman, & Sharma, 2003; S. Zahra & Sharma, 2004). In summary, there is a growing concern in the family business universe over succession issues - whether transferring the business to a non-family member or inter-generational transfer within the family.

Recently a handbook of studies included a section dedicated to “Family Business Succession” (Poutziouris, Smyrniotis, & Klein, 2006). The handbook includes literature on intergenerational succession, change and failure in family business (Miller, Steier, & Le Breton-Miller, 2006); creating a dynasty (Lambrecht & Donckels, 2006); strategic planning process for family business (Mazzola,
Marchisio, & Astrachan, 2006); and a framework for testing the success of family business succession (Pyromalis, Vozikis, Kalkanteras, Rogdaki, & Sigalas, 2006). Common conclusions made include the incredible scope for addressing the dynamic succession process through careful planning and considerate consultation.

On a more quantitative note, the “MGI New Zealand Family and Private Business Survey” presents some interesting findings around succession (Smyrnios & Dana, 2007). There is a lack of desire to form policy around the future ownership of a family business with only 24% of NZ business owners having a policy that the business will remain family owned, with 40% having no specific policy at all regarding the future ownership. What is more surprising is that 84% regard succession planning as important but there seems to be apathy towards doing anything to address this. Over 75% of family business owners have not documented management or ownership succession plans and only 44% have actually sought advice about their succession options. Part of this apathy would appear to be family business owners thinking that there is no interest from the family to take on the business, or simply that there is no one within the family suitable. Similar results can be found in other countries (FFI, 2005; Glassop, Ho, & Waddell, 2006). These statistics illustrate the need for investigation into why business founders are not finding a suitable successor from within their family and whether they have alternative exit strategies taking precedence over maintaining a family legacy. Another aspect deserving of investigation is whether family members have neglected to capture the founder’s vision, and consequently not had the desire to succeed the family business. One argument is that family business successions simply do not work out. Miller et al. (2003, 2006) relate the core of a problematic succession to an inappropriate relationship between an organisation’s past and present. In many businesses “founders try to perpetuate their legacy and ensure continued family control via intergenerational succession” (p.371).

The role of the founder/entrepreneur nearing the end of their tenure is often difficult. Handler (1990) contributes this difficulty to the founder not wanting to give up what they have created and developed. This frustrates the preparation for succession and can lead to the founder ignoring the need to choose and mentor a successor. In addition, Handler recognises that some successors are chosen who are doomed for failure:

“they include the ‘loyal servant’ (a conscientious helper but an incompetent leader), the ‘watchful waiter’ (a star performer from outside, who must wait sometimes indefinitely for power to be granted), or the ‘false prophet’ (a person whose area of competence is not related to the role required)” (p.37).

The problem is business founders tend to gravitate towards moulding a protégé to be like them rather than creating what the business is likely to need for growth - that is a successor with an entrepreneurial drive to build onto the successes (or failures) of the past. This problem is recognised in retirement-age. Founders who are filled with a plethora of skills, activities, environments, roles and relationships, which predisposes them towards seeking internal continuity (ongoing reinforcement of their personal identity, self esteem, and ego strength), and external continuity (predictable social responsibilities, relationships and roles) (Atchley, 1989, as cited in Handler, 1990, p.38). Other factors that influence resistance to succession are the organisation’s characteristics, culture and structure. For example, if there is environmental instability there could be resistance to succession. On the other hand, if change is not seen as a threat or an opportunity to grow there may be little resistance to succession. Davis and Harveston (1998) present the adage that the “drive and extensiveness of the succession planning process [are] unique to particular generations.” It is easy to forget that the succession process is contextualised. The founding generation succession to the next-generation will present different difficulties than subsequent generations.

As identified earlier, a key area of concern in the literature is succession and inter-generational transfer of the business – in particular the dynamics of an entrepreneurial family business from generation to generation (Brockhaus, 1994; Fletcher, 2004; Hoy & Verser, 1994; Sharma, 2004; S. Zahra & Sharma, 2004). In addition, there is the question of how the founder’s vision is transferred to other family members. This is where entrepreneurship becomes an apparent necessity during the succession process.

6. Entrepreneurship/Succession Overlap

Several articles have identified issues that arise when a business is transferred from a family business founder to the next generation. Brockhaus (1994) clarified the need for further research into succession
issues, particularly entrepreneurial succession, and the strategic planning and management of the process. Entrepreneurial succession has been interpreted as the continuation of innovation and entrepreneurial behaviour from one generation to the next (Woodfield, 2007a). This can be manifested in a founder translating their vision through the succession process to the next generation, with respect to the successors own vision for the future of the business. Brockhaus was echoed by Hoy & Verser (1994, p.19) who further emphasised the need for further research into the transfer of the “founder’s vision to other family members.”

Davis (1968) can be credited as being the first to bring into light “entrepreneurial succession.” Davis takes the entrepreneur as an important person who not only has an ability to take risks and innovate, but sees that the newly formed organization is operating successfully where the management function can be “transmitted” to others. It is no wonder Davis honed in on family businesses to study the problem of entrepreneurial succession as he viewed the extended family as “the most basic and stable unit of social organization in traditional society.” It is this combination of family business, entrepreneurship and succession that brings us to the nexus of this study.

**THE HOLY GRAIL**

7. Entrepreneurship/Family Business/Succession Nexus

The intersection between entrepreneurship and family business becomes arousing when viewed in the context of a succession process. One of the many challenges of any business is recreating its competitive advantage to overcome retardation or demise. One of the key concerns for family businesses is to retain the entrepreneurial spirit across generations. Entrepreneurship and vision become synonymous based on the creative and imaginative aspects of each. According to Schwass (2005), the grooming of next generation leaders needs to be adopted as both a mindset and an objective that is implemented over time. The rationale is that families grow over time increasing the number of stakeholders/owners and changing market conditions require continual adaptation and renewal. The business vision needs to be developed and implemented and potentially altogether changed by successive generations to provide growth and give a sense of ownership to the business (Schwass, 2005).

“The next generation leaders need to be seen and recognised as entrepreneurs, in their own right, and as a really powerful engine for business growth in the family business.” (Schwass, 2005, p.30)

Schwass (2005) broke down the family business into three archetypes. First, the “ephemeral family business” is a single-generation business of a business that fails early in the second generation. An example would be a business that is centred on the entrepreneur and lacks a transition from an “individualistic” business to a “collective” family business - in other words, a business that lacks sustainable, value-based vision. Second, there is the “preserving family business” which lasts several generations but suffers from retarded, or indeed no growth. There are many examples of this phenomenon in farms and vineyards. Third, and most relevant to this research, is the “entrepreneurial family business”. Unlike the aforementioned family businesses, the entrepreneurial family business has more complexity due to an underlying vision that family members benefit from keeping the business together. Schwass describes the entrepreneurial family business archetype as “[an] answer to those critics who see no future for family businesses.”

Entrepreneurial succession is introduced by Dyer and Handler as they conclude their discussion about the connections between family business and entrepreneurship. It is clear from their summary that there is a gap in the literature regarding entrepreneurial succession. Entrepreneurship literature tends to focus on business start-up and neglects the proposition that the entrepreneur inevitably faces retirement and needs to transfer the business to a successor. There is a need in the literature for an understanding of the complex and dynamic nature of an active entrepreneurial family business succession (Woodfield, 2007b). Equally there is a need to understand the changes in the founder, the family and the business itself over time (Handler, 1994). In summary, family businesses are unique, at times idiosyncratic, and possess unique succession processes. While there is a body of literature on succession issues, as outlined earlier, there is a lack of integration of family business and entrepreneurial endeavour in the research literature. From Davis’ studies we learn that family businesses have a “positive impetus to entrepreneurial activity.” Davis does point out, however, that there can be a problem when “social
function” takes over from “economic profit,” or, putting it differently “enterprise stability” and “perpetuity” which can lead to conflict with “new economic goals of sustained investment and expansion.”

**CONCLUDING REMARKS**

What does this all mean? The objective of this article is to bring awareness of overlaps in entrepreneurship and family business literature, specifically looking at the succession process and succession issues. To summarise, common themes relating to the constructs and overlaps will be evaluated.

There are many definitions for family business. There are many definitions of entrepreneurship. Scholars have attempted to review and consolidate family business and entrepreneurship definitions into a single definition (respectively), but no one definition is globally accepted. Several authors have brought attention to family business overlaps with entrepreneurship and succession issues, which have yet to be addressed through exhaustive empirical and theoretical research.

Further to reviewing the literature it appears that greater recognition is being given to family businesses as major contributors to job generation and wealth creation. There is greater interest in the dynamics and idiosyncrasies in family businesses with special recognition through special issues of leading journals and a handbook specific to the family business research area. This highlights the significance of recognising the opportunity to conduct studies in the family business research area. General business research has seen a shift from merely studying the functional areas of business to more socially specific research such as family businesses. Of particular interest in this study are the dynamics of an entrepreneurial family business from generation to generation, and how the founder’s vision is transferred to other family members. More discussion and further research is needed into entrepreneurial succession as it relates to family business.

In summary, there are many questions and ideas raised as a result of this study. Some are summarised as follows:

- Are business founders finding a suitable successor(s) from within their family? (Yes/No)
- Have alternative exit strategies taken precedence over maintaining a family legacy? (Yes/No)
- Have family members neglected to capture the founder’s vision? (Yes/No)
- Is the founders’ vision important to next generation successors? (Yes/No)
- How does entrepreneurship succeed from one generation to the next?
- Do the second and third generations have more entrepreneurial vision than the founding generation? (Yes/No)
- Are there potential threats to the current leaders if incumbent generations are more entrepreneurial?
- How can we learn from the experiences of existing family businesses that have gone through the succession process?

Some foreseeable outcomes of this study are:

- Further research into the area of family businesses and the entrepreneurship and succession overlaps
- Recommendations into succession and estate planning
- Understanding family business challenges and conflict
- Understanding the dynamics of an entrepreneurial family business

In summary, the present research into family business succession, specifically entrepreneurial succession, will result in a literary foundation for future research. It will contribute at both the theoretical and empirical levels, to the enhanced understanding of the relationships between family businesses and the entrepreneurial activity across generations. Family business research will be strengthened by further analysis and discussion.
REFERENCES


