

Contradictions between Founders and Successors in Taiwan's Family Business Inheritance: A Qualitative Study

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Abstract

The family business is among the oldest forms of business organization. Taiwan's family businesses have been continuously operating with family control for decades. This study investigates how to reduce future barriers to succession and especially to focus on the issue related to existing contradictions between founders and successors. This study adopts a qualitative research, carrying out in-depth interviews with four aspects composed of succession plan, connections and conflicts, willingness of successor, and competence of successor, and using four pairs of father and son as our research sample. By exploring how high-quality relationships could be developed between next-generation family businesses' leaders, the findings result of this study contributes to a finer-grained understanding of successful intergenerational succession in SME family businesses.

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1. Introduction

The family business is among the oldest forms of business. Additionally, it accounts for businesses run by family is more than 85% of all firms in OECD (Organization for Economic Cooperation and Development) countries (Gulzar & Wang, 2010, p. 124). In European Family Businesses (EFB) represents 60~70% of all Small and Medium Enterprises (SMEs), and contributes between 45~65% to the continent's gross national product (GNP) (Maas & Diederichs, 2007). In Taiwan, SME family enterprises account for more than 98.5% of companies, 80% of employment and 47% of the total economy. Khan & Khalique (2014, p. 38) announce that SMEs are the form a fundamental part of the economies, comprising up to 98% of total establishments and create over 65% of employment and contribute production of half of the gross domestic products. SME family businesses are the motor for most capitalist economies and their survival is vital to global wealth.

Taiwan is one of the highly developed free-market countries in Asia where economic growth is driven by family-owned business. However, despite the importance of SME family business, less than 30% of SME family firms survive into the second generation of family ownership, and only 15% transfer to the third generations (Cater III & Kidwell, 2014). It is believed one of the most influential factors for the low survival rate of family businesses is the problem of family business succession. The main reasons of the high failure rate among family businesses succession is inability to accomplish the complex and highly sensitive process of ownership and management succession from one generation to the next. This is particularly true at the time of first transition pass the authority to the next (Corbetta & Montemerlo, 1998; Pilversack & Scharf, 1994).

Focusing on the founder or owner-manager and passing ownership of control to the successor is considered as the traditional approach of understanding succession in family businesses (File & Prince, 1996; Brown & Coverley, 1999; Shepherd & Zacharakis, 2000). Some might claim the centrality of the owner-manager is considered as one of the main causes of failure, since the founder could make it difficult for the successors to take over effectively (Feltham, et al. 2005). Others claim the commitment, willingness, personal needs and motivation of a successor are the most significant influences in the process of family business succession (De Massis, et al. 2008; Georgiou & Vrontis, 2013; Pyromalis & Vozikis, 2009; Sharma & Rao, 2000). Along with above researchers, we argue that succession should be viewed from the perspectives of both role players (Sharma, Chrisman, & Chua, 2003).

Tirdasari & Dhewanto (2012) indicate where the number of respondents does not reach such a volume as in quantitative research due to a deeper analysis of in-depth interviewee. This study has engaged in qualitative research and is different from previous researches, through breaking the blind spots of interview difficulties with family businesses entrepreneurs. As can be observed in figure 1, the research flow chart have illustrate the research design. Four pairs of SME family business founders and successor from different business sectors assigned to provide personal

experience. Precise ideas would provide to assist future researcher practically understand how the incumbent and his offspring could interact and improved the succession process. This research also provides a great reference to entrepreneurs who are implementing the corporate succession procedure to avoid mistakes and increase the possibility of success in succession. Figure 1 shows this research flow chart.

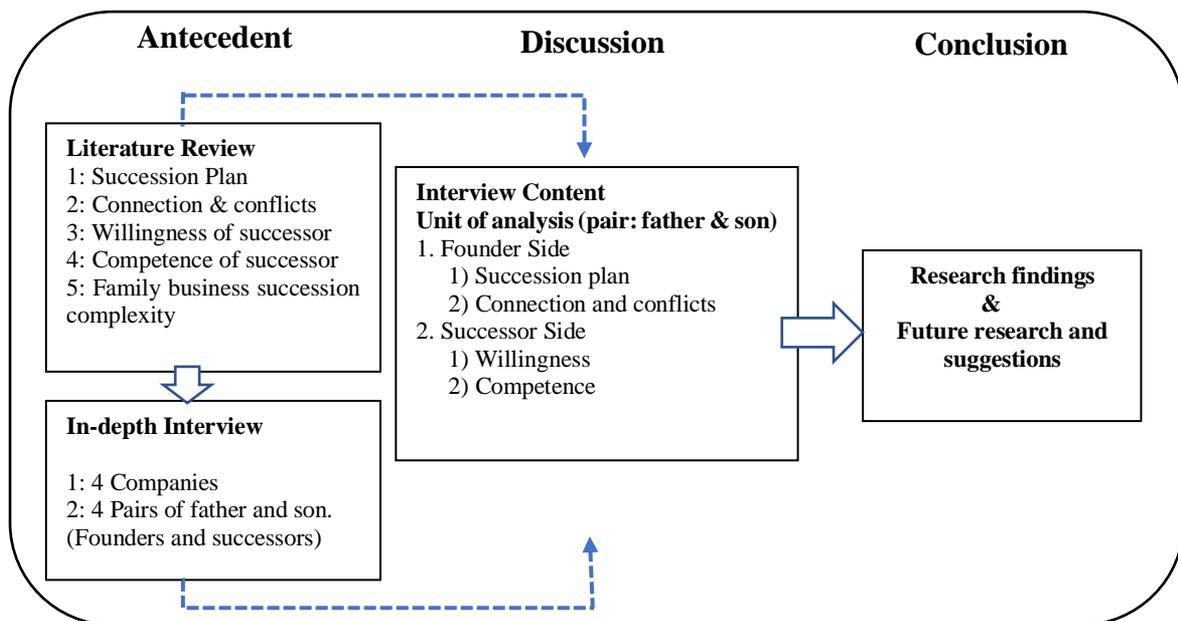


Figure 1: Research flow chart

2. Literature Review

In the last few decades researches dedicate to exploring the uniqueness of family firms they face the challenges of the factors that affect business survival. Successful succession is a crucial goal for family firms. If the predecessors do not let go the business and next generations reveal triumph leadership that approved by last leader, the inheritance is less likely to be completed. The intra-family succession and connection with the two key players are the key interest for family business scholars and practitioners.

2.1 Succession plan

The topic of succession plan for family-owned businesses is extensively examined in literature, (Lee, et al. 2003; Tirdasari & Dhewanto, 2012; Adil et al., 2017; Sharma, et al. 2003). There are many arguments derived succession planning is the powerful remedy for family business succession. It is suggested that succession plans should be developed as soon as possible so that the founder generation could cultivate the centripetal force of the successor to the family business while they were at young ages. Mohammed, et al. (2018) point out that SME family businesses

are less aware of transition failure and they are more concerned with short-term returns and limited long-term planning. Similarly, the most recent PwC U.S. Family Business Survey (2016) reveal that only 23% in the US and 9% in Taiwan family business owners have a robust and documented business succession plan to prepare for the business to continue in the next generation. To be precisely carry out succession planning it should focus on two main solutions. First, it addresses the desire of the entity as senior leadership to step down. Second, inheritor is entirely prepared for himself as willing and unexpected capability to take over the management role of the organization. In this study, we argue that in order to conduct the succession plan, researchers should have examined two attitudes in mind from both incumbent and successor angles in a bid to arrive at satisfactory answers.

2.2 Connection and conflicts

The importance of relationship quality between the incumbent and successor to the process of family business succession is well recognized (Chaimahawong & Sakulsriprasert, 2013; Georgiou & Vrontis, 2013; Griffeth, et al. 2006; Handler, 1990; Malone, 1989). Lam (2009) assert that both founder and the successor are major factors, their connection could improve or damage of the family business succession process. Many researchers (Hollander & Elman, 1988; Kanter, 1989). Morris et al. (1997) claim that the connection among family business founders and their offspring is the must be analyzed, a holistic perspective offers the opportunity to decipher both addressed relationships within the family are identified as critical factor in determining succession outcomes. Burke & McKeen (1988) address negative connection is related to psychological strain and disruptions to family harmony could lead discontinuation to family business succession plan. Collectively, the direct and indirect evidence suggests that sound family connection can contribute significantly to succession process. However, some research proposes different opinion and addressed that when it comes to tasks, a certain level of conflict could lead to positive results for the organization (Serra, et al. 2014). Some type of conflict stimulates innovation, improves decision-making, critical thinking and preventing premature consensus during the family business succession process (Pelled, et al. 1999; Tjosvold, 2008). In our study, we are interested to know whether the family harmony should always positive effect the outcomes of family business succession.

2.3 Competence of successor

The qualification of the successor determines the future of the family business, nevertheless, what is most critical qualification of a successor is remain debated. Bathija & Priyadarshini (2018) claim that determining the successor's qualification is the toughest and most critical challenge for most family businesses. Brockhaus (2004) assert the factors of successor such as education, technological ability, and managerial and financial skills should take into first consideration. Sareshmukh & Corbett (2011) debate that successor's factors such as self-efficacy, work

experience and education are most crucial of perception of entrepreneurial opportunities. Churchill & Hatten (1987) point out the foremost measurements of effective successors is their ability to increase revenues profits and enhance their company's reputation. Previous studies have shown that qualifications of the successor are important factor in the inheritance of the family business. However, we argue that due to human natural limitation the number of candidates for successors is only a few and their individual talents may vary owed to innate or acquired factors. Family business founders not able to select the ideal candidates from optional selections, normally when they face problems of "either/or" question. Based on the premise of restricting the inheritance blood relationship, regardless of the opinions of others, the decision power is manipulated by the hands of authoritatively-led entrepreneurs. If the founder approves the successor's capability, it goes without saying that the chosen one is the qualified successor. In other way round, if the founder does not appreciate the offspring's ability even though commonly contributing believed high stander achievement, he/she still is not able to win his/her father's approval.

2.4 Willingness of successor to take over family business

Some research says the core of the succession process is the willingness of the successor to take over the family business (Miller, et al. 2003; Blumentritt, et al. 2013; Kets de Vries, 1988). Evidence of researchers (e.g. Bjuggren & Sund, 2000) have provided line of reasoning that the successor's willingness to assume control the family business is crucial in the successful transition of the business. The argument is trying to underline if the designated successor is reluctant to take over the family business the succession is less likely to be completed. Studied of 118 family firm leaders, Sharma, et al. (2003) exposed that the presence of a successor willingness to take over the leadership of a firm was the spark that controls the succession planning process. Fiegenger et al. (1996) address that understanding the extent of interest of next-generation family members in their family firms are the best mode for getting these individuals involved the concept of the firm must continue. All these researchers suggest there is a need to seduce the next-generation family leader in succession process, as their careers and lives is involving in this decision. Dumas et al. (1995) assume that favorable financial opportunities offered by parents serve as a source of motivation, however, Sharma, (1997) argue that there is no evidence shows the relationship between rewards and the propensity of the successor to take over the business. As can be understood, the founders and the successors appear different definition of the willingness of the succession. This study is different from previous research; we are interested to have better understanding from the two sides (founder and successor) opinions about the succession willingness and how they could influence the succession process.

2.5 Family business succession

To summary, family business succession is highly complex procedures as previous literature reveals. According to De Massis, et al. (2008) family business succession is a complex and often lengthy process that comprises “the actions, events and developments that affect the transfer of managerial control” among all family members and non-family managers. It represents a unique context, whereby familial ties (Zellweger, et al. 2010), family goals and values (Kotlar & De Massis, 2013), differing family business governance approaches (Neubaum et al., 2017), family dynamics influencing the business succession (Hytti et al., 2017; Lam, 2011) and non-rational decision making intersect (Davis & Tagiuri, 1989). The overlapping of the business with the family units and the absence of clearly delineated roles for inheritor may perpetuate succession problems in the company. Our study aims to make three major contributions to the literature. First, we contribute to the SME family firm succession literature by exploring the key factors from both perspectives of incumbent and their inheritor’s view toward family business succession plan. Second, there are limited empirical work have been done even though much has been written about willingness versus ability dilemmas in family firms. We contribute to this qualitative research by provide in deep interviews with four pairs SME family business founders and their inheritor to providing some guidance for future work in this area. Finally, this research is assembled on previous research of (Richards, et al. 2019; Glaser et al., 2016; Zilber, 2016; Pache & Santos, 2013) and have a practical implication for family business succession research.

3. Research Design

While conducting family business succession research, it is confidential concern because it is not only corporate succession process, but also a family issue. Based on in-depth analysis, this survey allows more detailed investigation that may necessary to answer ‘how’ and ‘why’ questions. To capture the effect of our study, four sample trails are explained as following:

3.1 Sample collection

Bozer, et al. (2017) suggest that interview samples for family business succession should not operation least than 25 years. Thus, we use a convenient sample comprised of one-on-one protagonist interviews. The family business must be aware of succession necessity, have experienced a succession process and meanwhile exist one appointed inheritor.

3.2 Only first-generation business founders and the second generation

The first generation of business founder does not have previous succession experience, therefore can be considered as better sample than multi-generation family business leaders. Previous researches have point out few family businesses survive beyond first generation (Santarelli & Lotti, 2005).

3.3 Focus on connection and competence idea of the two people

Levinson (1971) and Kets de Vries (1988) discover that the main problem in the succession process was due to the personal characteristics of both the potential successor and the incumbent. However, following these research of Dumas (1990) and Handler (1990), we focus on the relation of inheritor and their parents because the core of the succession process is concentrating upon the two persons.

3.4 Sample size

The sample size used in qualitative research methods is often smaller than that used in quantitative research methods (Dworkin, 2012). The aim of in-depth interviews is to create “categories from the data and then to analyze relationships between categories” while attending to how the “lived experience” of research participants can be understood (Charmaz, 1990). This is because qualitative research methods are often concern with gathering an in-depth understanding of a phenomenon instead of hypothesis testing. Four pairs of founders and their offspring are concluded.

3.5 Choose male other than female founder and successor

It is widely acknowledged that most of the family business in the entrepreneurial discourse has a gender-based theoretical focus that endorses a dominance of a heroic, male ‘owner-manager’ narrative (Hamilton, 2006; Nelson & Constantinidis, 2017). Indeed, the female successor results in a lack of understanding, regarding her importance within family structure across cultures (Mussolino et al., 2019), as result lady inheritor is exclusive in this study. To conduct our research, we apply above the multiple in-depth interviews analysis method to examine the succession process in different industry, different family contexts to replicate findings across the selected cases to discover the similarities and differences between four pair cases. This study selects four companies as the sample (Table 1).

Table1: Sample profile

	Business Type	Business Scale (Employees)	Found Years	Founder age	Successor age	Successor Siblings
Case A	Used car dealer	45	40	68	38	1 younger sister
Case B	Boat manufacture	60	38	69	37	1 elder brother
Case C	Boat parts manufacture	184	35	70	35	The only child
Case D	Tie dealer	22	37	65	26	1 elder brother & 1 younger brother

3.6 In-depth interview results and findings

Each interviewee has been conducted one-on-one interview about one hour and have been separately told reserve the privacy that will not show their name and company. Therefore, these companies and interviewees were represented as cases, founders and successors A to D. The interview result is presented as following:

- **Case A: Used car dealer**

Founder A: 68 years old, has found the company for 40 years. There are only 2 employees from the very beginning. He builds his kingdom from scratch at his very young age. Till now the company owns 26 employees and three branches.

Successor A: 38 years old, having one sister, with bachelor degree, has used to work in a construction company as a site manager for 3 years. When he enters the business, the inheritor knows nothing about used car business. Due to the founder A believes “capable are pupils trained by strict masters”, accordingly he is very strict with his only son. After 3 years apprenticeship training by the predecessors, the successor is superior at sales and starts to bring profit to the company. The founder starts to release management power to his son, because he is convinced to become an appropriate boss for achieving good sales performance. However, conflicts are triggered soon as the power transformation initiated. After two years power transferring, the successor has won his authority position and the founder have abdicated from the business.

(1) Succession plan

Founder A: *“I used to start the business with my two brothers and they didn’t want to manage the business when I tend to retired. So, I told my son if he didn’t want to take over the business, I am going to dissolution of the company. I didn’t want to continue my business, because of my age and my life plan. Since my son have interested to take over, I made my succession plan completed within five years, and I did.”*

Successor A: *“There were no written succession plan. My father offers an oral commitment to make me inherit his business within five years. In the five years, my father mentor me and teach me the technique know-how. No more than three years, I have acquired all knowledge I needed. Since then, I wanted to in charge the business as soon as possible.”*

(2) Connection and conflicts

At the first two years after power transferring, the founder and the successor frequently have conflicts in daily process. They stubbornly and arbitrarily cling to their own course. The inheritor would conduct his own way instead of obey to the predecessors because he believes his decision is better for the company development. The natural virtue of obedience is abandoned in the late of their succession process.

Founder A: *"I love my son, but sooner or later he will realize my advice is valuable. He is not aware of it now, but he will definitely learn in the future."*

Successor A: *"We are very close, but the conflict is inevitable. Keeps following my father's order, there is no chance to break through the hyper-competitive environments. Within the family business, I am not his son but the successor. I have the responsibility to make the business progress. I have to make right decision for the company instead of to please my father."*

(3) Willingness of successor

Founder A: *"I am glad my son wanted to take over the business. The used car business is what I do for whole my life and I am really wanted to retire."*

Successor A: *"I response to my father with positive answer when my father asks me if I wanted to take over his business. I used to work as a site manager in a construction company for three years and I realize that the promotion and salary increase is controlled by others. Contrary, if I take over the family business, I can make difference. Also, I am the only son of my family, I should fulfill the obligation."*

(4) Competence of successor

Founder A: *"If you ask me whether he is qualified as a successor, my answer is not favor to my son. He is good sales and nothing more. He explains that my son is not capable as a leader. The founder complains about the son did not follow his discipleship to lead the sales team and not to subsequent the rule of apprenticeship. He fails to motivate other sales managers."* This is not the way to gain competitive edge and sure company's survival. The predecessors do not appreciate the way the successor manages the company. However, he can't deny that fact that the inheritor does increase the income of the business.

Successor A: *"By divers our product line, I have enhanced our business to a different level."* Different from the founder A, the successor A is very confident about his achievement. He is very proud of how he triples the revenue since he took over the business. The successor claimed that he expended the business scale and has new investment although all these achievement does not impress his father.

• Case B: Boat manufacture

Founder B: 69 years old, has found the company for over 38 years. The company employ 40 people for daily operation. The founder used to recruit his brother and some relatives works in the company, but they all resigned for not able to work with the founder.

Successor B: 37 years old, has one elder brother who used to working in the company. The elder brother had a lot fights with his father and left the company after he can't stand for the conflicts. The successor used to work as car sales for one year before he joins in the company. For now, he has fourteen years work as CEO special assistant, his duty is supervisory with company operations. They have daily meeting with managers, he sits beside the predecessors to emulate the way he made decisions.

(1) Succession plan

Founder B: *“I started the business at my aged 31, there were a lot things went through. It is not possible to put it on the worlds or write in peppers as a guideline for my son. What I can do is to mentor him, and show my son how to manage the business. As you might notice the boat manufacture business is very complicate in many aspects. That is not easy to teach him within few years. Therefore, by monitor the way I deal with daily operation, he learns to make decisions. I will always be there for him until my physical condition not allow me”.*

Successor B: *“My father told me that we are in the process of succession, although there is no official format of it. I understand the business is everything to him and the so-called succession is a lifelong process. I respect my father’s decision, and I have no complain about it.”*

(2) Connection and conflicts

Founder B: *“My first son has his own career. It is pity that he is not interested in the family business. Therefore, I have made my second son as the successor. To me, family connection is priority than business. Although my son and I might have disagreements sometimes, we consider family value is more precious than business.”*

Successor B: *“My father is a more manipulated person. I can totally understand why my brother can’t stand work with him. When I start to be familiar with the business, we frequently have argument because we make different decision. My innovation is not allowed, I would always make decision after have his approval to avoid disagreement and I forced to follow everything he told me. For the resent years, I choose not to do the meaningless argue and this move make our relationship smoother.”*

(3) Willingness of successor

Founder B: *“My son chooses to stay in the company because he has seen the company’s potentiality. Our business is dealing with the dream of every rich man. There is no one can resist the opportunity to join the yacht manufacture business not mention have the chance to own them.”*

Successor B: *“I am not my father’s favorite choose but I still believe I have the obligation to stay in the company, since my elder brother fail to do so. Since I choose to stay, I will try my best to assist my father to manage the company runs smoothly under the sense of harmony.”*

(4) Competence of successor

Founder B: *“He is ideal son with great temper and many talents. However, as a successor, he is still too young and have too much to learn. I believe he will be a qualified inheritor after few years my training. By simulate the way I make decisions, he will able to learn the best way to deal with our daily operations.”*

Successor B: *“My father is a legend in the industry. He sets a high standard that I will never be able to reach. I get used to reported to him and ask his opinion before make any action.”* The inheritor lack of confidence and express himself will never able to reach his father's expectation.

- **Case C: Boat parts manufacture**

Founder C: 73 years old, found the business for 35 years and have 184 employees. The founder established the company with his wife. Few years later, they recruit a non-family member as vice president to manage sales department, he and his wife in charge with the finance and administration. They have been worked together for 20 years and the senior manager has close connection with the family. Successor C is the only child, aged 41, oversea master degree with one year work experience in the US. The successor come back to conduct his duty. From very beginning the successor start work as a low-level manager, initiate to learn the basic production procedures. Few years later, he got promotion as middle lever manager handle more detail structure of management duty. After 5 years element training, the none-family vice president starts mentored him to success the family business. Unfortunately, the vice president passed away after he supervise the successor for 3 years.

(1) Succession plan

The founder claim that he has arranged the succession plan for 10 years. Although he didn't have anything printed, he has planned every stage of the succession processes. However, the non-family manager unexpected death leads the succession pull in the days.

Founder C: *“I sent my son to study abroad for better education. After he obtain the master degree, I hope he can come back to family business. We are getting old and we hope our business will be taken over by trust worthy people. I planned to train my son from the very basic position and then promoted along with his capability. To avoid possible conflict and all-day business conversation, we ask our business partner to train him.”*

Successor C: *“My father has told me about his succession plan. I agreed to start from the basic knowledge and training. I am appreciated the previous vice president as a mentor, he deserves all the credit of contribute the succession process.”*

(2) Connection and conflicts

Founder C: *“It hardly has disagreement between me and my son. My wife and I get used to respect the decision of our business partner. In the previous year we discuss business with the vice president, as a mediator, not directly to our son. We have tacit agreement that my son can only make independent decision after the vice president retired.”*

Successor C: *“My parent and ex-vice president hey have mutual respect, camaraderie has encouraged them to stick together and achieve business success. Therefore, my parent consists the model to work with me. My family and I have close connections. My parents respect my decisions and therefore I would return*

them the same admiration. The previous vice president, he was very close friend of my family. As a mediator, he had successfully minimized our conflicts. He is the reason to keep me and my family stay close."

(3) Willingness of successor

Founder C: *"I make request to my son if he is willing to come back take over the family business, he did not reply immediately. There are too many possibilities in his career development, I know it might too much to ask. However, we are getting old, he is the only one we can count it on. Fortunately, he replays with positive answer and come back to us in one year after he got his diploma."*

Successor C: *"I am the only child of my patents old age and I should take the responsibility to take over the family business. Also, I am interested in the boat parts manufacture business. I would choose to enter the same industry if my father did not establish the business."*

(4) Competence of successor

Founder C: *"My son is very progressive learner. We sent him to study overseas because we know he is our future. As a successor, he is good at technique knowledge, technology, business administration, finance. He has capability to innovate new products and have ambitious to expand the market. We are looking forward his accomplishment and ready to be his best support."*

Successor C: *"I am trying my best not to disappoint my parents. From their eyes, I can see their expectations. Fortunately, I didn't fail them in these tree years of in charge."*

- **Case D: Tie dealer**

Founder D: 65 years old, has found the business for 37years employ 22 people in his store and warehouse. His wife work as accountant in the store. The predecessors have 3 sons and two of them work in the family business. The elder son used to work as a fitness coach for local fitness center for 2 years. The founder considers the fitness coach is not a business that you can live on for the rest life, therefore ask his son back to the business. Although, the son does not interest in the family business, he followed his father's decision. The second son, age 26, two years younger than his brother. He chooses to work for family business once he has finished his undergraduate degree. For now, he has work for the company for 4 years. The youngest son, age 26, not interested in family business. For this research, the predecessor assigns the second son to join the interview.

(1) Succession plan

Founder D: *"My succession plan is about 15 years. I have trained my second son since the first day he entered the business. It is four years for now and I will start to release decision power for him soon as he gets married. Because man would aware the responsibility after he have family. Ideally, 10 years later he can share the burden of the family business. I will able to stay in the branches drink tea with my old friends."*

Successor D: *"My father did not talk to me about the succession plan. I think my brother should take over the family business because he is the eldest son. I don't think it is good idea for me to replace the position. Family harmony is more important than business."*

(2) Connection and conflicts

Founder D: *"I and my second son have special connections. He always knows what I am asking for him. We frequently have some opinion about decisions. We have exciting chemistry when we work together."*

Successor D: *"We work together and live together, but I wouldn't say we are very close. My father is an overbearing boss, I would simply response what he wants. My brother refuses to do so and that's why they frequently have quarrel. His bad temper does not bother me, because I know the way he makes decisions, therefore, I can predict it and provide the likewise solution to please him. I would only assert opinion when I am assured my father would like the idea."*

(3) Willingness of successor

Founder D: *"My eldest and youngest son does not interest in the family business. My second son is different from his brothers. He enters the family business first day after he graduates from the university. His hard working shows he is interested in take over the business in the future."*

Successor D: *"The reason why I work in the family business is because I really like the business. I have been watching my parent work in the business and I enjoy to be part of it. That is why I never consider to work in other company. However, succession is something that never comes to my mind."*

(4) Competence of successor

Founder D: *"My son has great personality and he is very capable young men that makes his father proud. All my clients have high opinion about him. He is so much alike me and I believes I can count on him for take over the family business. I will start to release my authority at first thing after he gets married."*

Successor D: *"I am confident myself as a qualified successor, but brotherhood would be my priority concern. I am appreciated the opportunity to be able to learn from my father. After few years, it is possible I will able to handle the family business, but I wouldn't do it if it is not desired by my brother."*

4. Findings and Discussions

Table 2 summaries the interview result. Firstly, founders and successors does not in the same page of their succession plan. Founder A plans 5 years succession process while the successor is eagerly wanted to take over. Founder B considered himself as a mentor to his son and prepare for the lifelong plan for succession and successor B does not want to comment at it. Founder D explain to researcher that he prepared 15 years of succession plan, however the successor D does not aware he is the heritor. In case C, founder and successor are in the same picture of succession process and they have agreement even before the successor enter the company. Secondly, we review the relation of the two key persons in the succession process. In case A, both father and son agreed they have close relationship but the heritor does not allow his father dominant to family business. The successor A choose to fight back to win his position and it seems works for success of succession. On the contrary, successor B choose to follow his father's decision and not dare to express himself. This might give way for the father manipulate the family business and cause for lifelong succession. At case C, both founder and successor express them have very close relationship. They believed this is because the mediator has functioned as moderator.

Interestingly, in case D, the father and successor have different statements about their relationship. Successor express himself does not feel close to his father because his father's bad temper while the founder believes there are some chemistries between the father and son. In case A, the founder aware the successor has ambitious to take over the family business. Even though he does not approve the successor's capability, he still wanted to abdicate for his own life plan. The successor A also express his strong desire for inherit immediately, therefore the succession is considered as success and have been completed. In case B, the founder believes his son is glad to success the family business but he does not consider his son is qualified successor. Therefore, he plans to mentor his son until failing health. Agreed with his father, the successor B considered himself as not qualified successor but he has strong willing to take over the family business because he believes he should take the obligation. In case C, the business owner and his son have no disagreement with the successor's strong desire and ability to take over the company. Consequently, the success of the succession process can be assumed. In the case D although the founder and the son seem in the same page of the successor's capability, the son is not so sure about whether or not take over the family business. The successor is more concerned about the primogeniture than his father. The uncertainty of the willingness could cause problem for the family business succession.

Table 2: Interview result

Role	Succession plan	Connection and conflict	Willingness of succession	Competence of Successor	Success of succession
Founder A	5 Years	Close/Dominant	Yes, and urgently	Not approved	Yes
Successor A	ASAP	Close/fight back	Very Strong	High confidence	Yes
Founder B	Lifelong plan	Close	Yes, but not now	Not capable	Fail
Successor B	No comment	Close/hide disagreement	High	Low confidence	Fail
Founder C	10 years	Very Close	Yes	Approved	Yes
Successor C	10 years	Very Close	Very Strong	Confidence	Yes
Founder D	15 years	Close	High	Approved	Unknown
Successor D	No idea	Not Close/some disagreement	Low	Confidence	Unknown

For the purpose of exposition, we propose Figure 2 to illustrate the phenomenon we observed from the interviews. As can be seen in the figure 2, the high competence and high willingness would lead successful succession. We therefore name it as success successor. As the figure shows, the case A and C is included in this section. If the successor is considered as high competence by the founder but have low willingness to take over the family business. This could cause the successor become an unhappy stayer. The case D is in this situation. Without doubt that when the competence is considered as low and have no willingness to take over the family business would cause the successor to leave the family business. In our four pairs of interviews, we didn't find matched case. When the founder considered the successor is not qualified and the successor have high interested in take over the family business, the successor would stay in the company with father's life long protection. In this situation, we called it "Prince Charles syndrome", because the father will less likely step down. The case B is exactly in this situation.

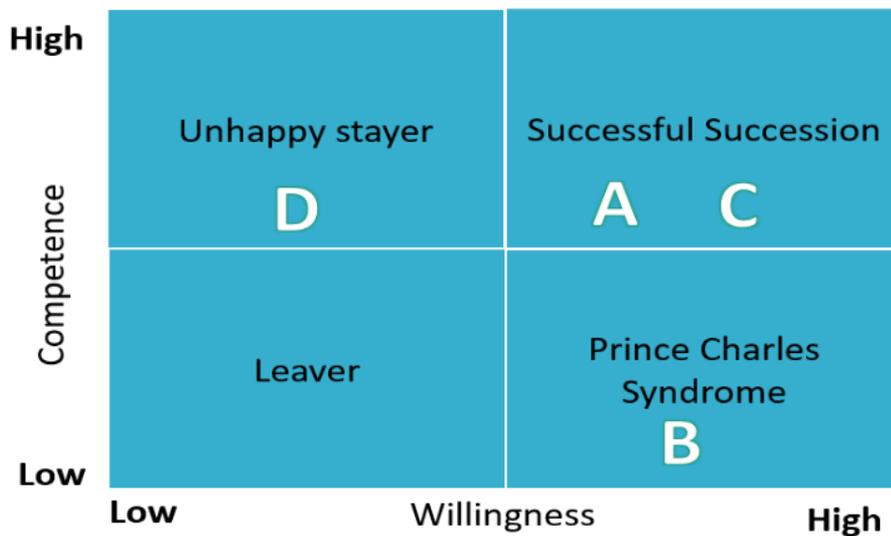


Figure 2: The diagram illustrated from interview result

From two side of succession interviews, we can observe that family firm successions are associated with a range of psychological conflict potentials that need to be carefully taken into consideration. It is not always expected that the predecessor and inheritor have a parallel perception and aim to pursue the same goal. When considering the succession process, two sides of viewing point and conflicts should never be underestimated. The keys to a successful family-internal succession are the connection of the predecessors and his incumbent willing to let go and take over the family business, and more importantly a clear boundary between family and business.

4.1 Research findings

The research findings present a range of meanings and expectations attached to notions of succession in SME. From traditional understandings of fathers as a family business leader and providers to more highly involved conceptualizations as key person of succession. Similarly, successor as the future leader candidate to knowing how they react to the career decision and the way they evaluate themselves. Four pairs of family business founder and their inheritor present different patterns of succession process. Form the success cases A we notice that if the successor is capable and ambitious enough the founder might make concession to step down. Although the importance of the quality of the affiliation between the incumbent and successor to the process of the family business succession is well recognized (Chaimahawong & Sakulsriprasert, 2013, p.19; Georgiou & Vrontis, 2013). It seems the successor should prove their aggressive capability to their father to win trust rather than keep compromise and harmony atmosphere. However, it might consider the situation under the condition of the successor is the solitary candidate to inherit the business in the family. The other case of success succession is case C.

The research results suggest that “the middle/third person mechanism” can be beneficial to the succession process which echoes to the research results of Strike (2013) and Bertschi-Michel, Sieger, & Kammerlander (2021). In our study, we found the advisor could decrease the conflict within the family business, and it could be a great solution for the family business succession. The trusted advisors are expected to provide important capabilities such as expert knowledge and high-quality feedback and thus improve the quality of family members’ decisions, the strategic planning process, and ultimately the firm's performance (Davis et al., 2013; Strike, 2012).

4.2 Future research and suggestions

To be summaries, we have three conclusions in this study. Frist of all, previous research state that harmony relationship is vital to family business, however, synchronization cannot guarantee the success of the succession process. It seems conflicts might not preventable during the succession process, and in some cases as successor A, by virtue of aggressive ambitions might surprisingly facilitates the progress of the succession. By contrast, the successor B conduct in a totally opposite reaction to the founder. His passive reaction causes his father prolong the stage and desirability to step down. Moreover, the non-family manager plays an important role as mentor and mediator who prevent conflicts in case C. Both incumbent and inheritor give the credit of their success succession to the mediator. It seems have third person as a buffer might enhance the relationship and enhance the possibility of successful succession. Lastly, when a family business has multiple candidates for succession, the process would be more complex. Even the assign successor has the leader approved pleasant competence, they might still be influenced by concern feeling of other siblings and weakening the will to lead the family business.

Same with any research, this research has its limitations and it is important to address them. Firstly, our study is limited in terms of the gender issue. All participants were male therefore this research result may not be applicable to family companies where founder and successor’s gender are changed. It is suggested to apply the different gender to check the difference results. Second limitation is the sample size. As has been noted, although our research is limited in small samples, it provides a foundation of knowledge for future studies. Third limitation in our study is that our research profoundly dependent on the experience of two key actors (founder and successor). It might not represent all aspects of family business succession process. Future studies should overcome the limitation by concerning other factors like family members, senior managers, business stakeholders and environment of the economic, technology etc.

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