Towards a better understanding of relational embeddedness: the role of external networks in shaping family business succession

Emma Capon

Royal Holloway, University of London

Doctor of Philosophy (PhD)

Declaration of Authorship

I, Emma Capon, hereby declare that this thesis and the work presented in it is entirely my own. Where I have consulted the work of others this is always clearly stated.

Signed:

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ABSTRACT

The study explores the role of external relations in shaping family business succession (FBS) and extends theoretical understanding of relational embeddedness. The objectives include exploring:

- What types of external relationships family members draw upon in managing FBS and how they make use of these; and
- The complexity of network ties, including the strong/weak tie conceptualisation and the role of trust in the operation of external network ties.

An embeddedness perspective has not previously been applied to FBS research. The focus on relational embeddedness addresses the imbalance in existing research towards structural aspects. Examining the basis for the development of trust within the FBS external ties and the types of trust operating in the ties addresses hitherto neglected dimensions of relational embeddedness, FBS and family business (FB) advising relationships.

An inductive and qualitative approach is adopted to explore the subjective perceptions of actors involved in FBS network relationships. A multiple case study approach draws on interviews with fifteen family members in seven Northern Ireland-based FBs and five external individuals who influenced the succession processes.

It is argued that FBS needs to be conceptualised as a distinctly social phenomenon. The complex dynamics of FBS are elucidated by exploring the range of external relationships that can influence succession. A conceptual model for relational embeddedness in the FBS context conveying tie multidimensionality is proposed and the Granovetterian dichotomous notion of strong/weak ties is challenged. A more nuanced understanding of network ties is advanced by conceptualising ties as having multiple dimensions, each characterised by a spectrum of strength, and involving the development of specific types of trust. A conceptual model is proposed to capture the nature and dynamics of trust across the FBS external ties. The argument is advanced that

the relationship between the tie content dimensions and trust is a mutually constitutive one.

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Acronyms

CBT   Calculus-based trust

DC   Deputy Chairman

EC   Executive Chairman

ED   Executive Director

ESRC   Economic and Social Research Council

FB   Family business

FBS   Family business succession

GM   General Manager

KBT   Knowledge-based trust

IBT   Identification-based trust

MD   Managing Director

NEBM   Non-Executive Board Member

NI   Northern Ireland

CHAPTER 1

1 INTRODUCTION

This first chapter provides the rationale for the research, including considering the importance of the field of family business studies and the need for more research on FBS and within the Northern Ireland context. Specific research gaps around the role that actors outside the FB and the family can have in intergenerational succession and on embeddedness theory are identified. The research objectives and contributions are articulated, followed by an outline of the study structure.

1.1 Rationale

The rationale considers the importance of family businesses (FBs) and the difficulty they face in transferring enterprises between generations. The specific gap in the literature is identified, centred on the role that relationships with actors outside the FB can have on FBS. Contributing to the development of embeddedness theory and personal motivations are identified as further reasons for the research.

1.1.1 Importance of family business

FBs are vitally important to both advanced and developing economies (Goffee, 1996; Gersick et al., 1997; Sharma, 2004; Schulze & Gedajlovic, 2010; Lumpkin et al., 2011). This point is not new, but it is often underappreciated. The socio-economic contribution of FBs suggests the need for continued development of the field (Sharma, 2004). Accurate figures are difficult to obtain, partly due to the absence of a commonly agreed definition of a FB (see section 2.1.1) and the private nature of many FBs (Astrachan & Shanker, 2003; Ibrahim et al., 2008). It is estimated that 80 per cent of US companies are family-owned or controlled (Kets de Vries, 1993; Dyck et al. 2002). However, the figures depend very much on the definitions employed. Within Europe it is estimated that FBs provide over 80 per cent of employment (Birdthistle & Fleming, 2005). The Department for Business, Innovation and Skills *Small Business Survey 2012* reports that among UK firms employing fewer than 250 people 62 per cent were family-owned (BMG Research, 2013). Other research

suggests that FBs account for approximately two-thirds of UK private sector enterprises, are the largest source of private sector employment, and contributed around a quarter of UK GDP in 2010 (Institute for Family Business & Oxford Economics, 2011). Poza (2010:184) summarises part of the rationale for studying FBs:

> 'family businesses are undeniably the economic engines of the world. Understanding them better to better assist them in their efforts toward sustainability is a matter of strategic importance to our world in this century.'

1.1.2 Northern Ireland context

The study examines a sample of FBs from Northern Ireland (NI). This geographic focus is another element of the rationale because, despite the importance of FBs to the NI economy, the topic has been little researched. The region has the highest concentration of FBs of all the UK regions[1] (Institute for Family Business & Oxford Economics, 2011). Understandably the NI Executive has identified the sector as crucial to future economic growth and called for partnerships between the public sector, private sector and academia to support FB development (NI Executive, 2012). There are no official statistics on the proportion of Northern Irish FBs making it to the second and subsequent generations. However, given that the Department for Business, Innovation and Skills *Small Business Survey 2012* covers the whole UK it is reasonable to assume that NI FBs are in line with the UK-wide findings. Indeed, longevity amongst Northern Irish FBs may be lower because a publication by BDO and Queen's University Belfast (2012) estimates only 3 per cent of businesses survive beyond the third generation. However, the source of this estimate remains unclear.

The prevalence of FBs and the low survival rate make the lack of research in the NI context surprising. The limited research available indicates weakness in succession planning with, for example, Cromie et al. (1999) finding in their survey of FBs in Scotland and NI that no discussion had taken place about succession in 70 per cent of firms. A slightly earlier survey of just NI companies by Cromie et al. (1995) found there had been no discussion of

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[1] Research has suggested that this is due to NI's geographic peripherality, commitment for much of the twentieth century to declining traditional industries, and the outbreak of conflict which deterred inward investment and necessitated indigenous, often family-owned SMEs (Brownlow, 2013).

succession plans in 45 per cent of first generation FBs. These figures are dated, however, given the paucity of relevant studies, they warrant consideration. There is an identified need for policymakers to address the succession needs of FBs in NI (Fletcher, 2010). More background information on the NI economic and FB landscape is provided in Appendix 1.

1.1.3 Challenge of longevity

The search for longevity is a strong theme in the FB literature. Unsurprisingly, given the lack of a robust statistical base and definitional issues, estimates on how many firms make it beyond the first generation vary. Kets de Vries (1993) contends that only three out of ten FBs make it through the second generation, and only one in ten through the third, and this figure has often been repeated (Beckhard & Dyer, 1983b; Ward, 1987). Much of the literature does not acknowledge that these figures lack robustness and have been presented repeatedly far beyond their original context (Stamm and Lubinski, 2011). Nevertheless, they indicate the low proportion of FBs successfully transitioning from one generation to the next (De Massis et al., 2008). Looking at the UK, the Department for Business, Innovation and Skills *Small Business Survey 2012* provides some support for the earlier estimates, indicating that 21 per cent of family-owned businesses are in the control of the second generation and 11 per cent in the third or fourth generation (BMG Research, 2013). The estimates illustrate how difficult FBS is to execute effectively and hence its continued importance as a subject of research (Le Breton-Miller et al., 2004; De Massis et al., 2008). It is important to consider, however, whether transition to the next generation is necessarily the preferred option.

1.1.4 Preference for intergenerational transfer

There is an emerging recognition that it is necessary to examine the assumption that transfer to the next generation is automatically the preferred choice for founders/incumbents. Wiklund et al.'s (2013) study of Swedish FBs over a five year period (2004-2008) found that 23.5 per cent were transferred within the family and 17.4 per cent were transferred to external ownership (2.7 per cent shut down and 56.4 per cent underwent no transition). More research is necessary to investigate exit or transition routes within FBs that do not involve transfer to another family member (DeTienne & Chirico, 2013). Zellweger et al.

(2012) challenge the focus on single family firms, arguing that this ignores strategic divestment or closure of FBs in order to support longevity and value creation across a family entrepreneurial portfolio across generations. However, this emerging focus does not render the traditional focus on a single or core family firm redundant. Many FB founders/incumbents remain committed to passing the business on to the next generation and building a lasting family legacy (Lumpkin & Brigham, 2011; DeTienne & Cardon, 2012). Studies suggest that stewardship-based commitment and emotional attachment mean continuing a business as a FB usually overrides other exit options which may promise better financial returns and leads to a perspective where relinquishing the FB is equated with failure (Sharma et al., 2003, Sharma & Manikutty, 2005, Bertrand & Schoar, 2006; Salvato et al., 2010; Lumpkin & Brigham, 2011; DeTienne & Chirico, 2013). However, achieving intergenerational transfer can be a difficult process, hence the continued need for research on the subject.

1.1.5 Gap in the literature

Despite FB being a fast-growing field of study, several topics remain underexplored and the theoretical foundations require further development (Chrisman et al., 2003; Benavides-Velasco et al., 2013). Although FBS is one of the most researched topics it is a complex phenomenon that is not fully understood (Miller et al., 2003; Lambrecht, 2005; De Massis et al., 2012; Benavides-Velasco et al., 2013). One issue that has been largely overlooked is the role that interactions with actors outside the FB and the family can have in intergenerational succession. Practitioner guides emphasise the need for incumbents/founders to seek external advice to manage succession (Harvey, 2004; Leach & Partners & Institute for Family Business, 2008), yet academic research has focused overwhelmingly on factors internal to the FB and the family. However, the FB literature gives some indication that the external relational dimension merits exploration. This is reinforced by developments in the related field of entrepreneurship which stress the importance of external networks (Dodd & Anderson, 2007). It is perhaps surprising that this emphasis on the social context of entrepreneurship has not been reflected in the focus of FB scholars given that many FBs are also entrepreneurial independently-managed and owned businesses (Anderson et al., 2005). This study addresses the neglected issue of whether there is a need to consider FBS as a phenomenon

that is socially constructed and influenced by broader groups of people rather than largely isolated individuals (Granovetter, 1992).

1.1.6 Developing the concept of embeddedness

As discussed in Chapter 2, many of the studies on FBS are predominantly empirical in nature. Thus part of the rationale is to bring a theoretical lens to the issue by adopting embeddedness as the conceptual frame through which to consider the role of social relationships in shaping FBS. The study also develops the theory of embeddedness itself. It reflects Stewart and Miner's (2011) argument that FB research offers an important context to test existing theories in new ways that, in turn, can advance those theories. In his seminal work, Granovetter (1985) developed the concept of embeddedness which argued that all economic action is embedded in ongoing patterns of social relations. The concept has been influential and applied across various academic fields, often operationalised in terms of social networks (Dacin et al., 1999; Krippner & Alvarez, 2007), however, it remains theoretically underdeveloped (Wang & Altinay, 2012). There is a theoretical rationale for this study because it focuses on an under-researched aspect of the concept – the relational dimension of embeddedness. There is a lack of qualitative studies exploring the complexity of social ties in the entrepreneurial and FB contexts (Jack, 2010). The dominant focus on structural embeddedness and network structure has meant we still have a limited understanding of network tie content – what actually goes on within and between social network actors (Jack, 2010).

1.1.7 Personal motivations

A further motivation for exploring FBS is my personal interest in the subject, having been brought up in the context of a successful NI-based FB in which my father was the Managing Director having succeeded his father, the founder. Several relations worked in the business and my grandfather remained influential after his retirement. I was aware of the impact the business had on family experiences and relationships. The business grew rapidly and was sold to a multinational during the 1990s and subsequently my family continued to develop other entrepreneurial enterprises. I recognised that this personal interest reinforced the need for reflexivity (Bryman and Bell, 2011) and this is discussed in Chapter 3.

1.2 Research objectives

The broad interrelated aims of the research were to explore the role of external relations in shaping intergenerational succession in FBs and to extend theoretical understanding of relational embeddedness. The specific objectives were:

From an empirical and practical perspective, to explore:

- What types of external relationships family members make use of in planning and managing intergenerational succession;
- How family firm members identify relationships to initiate/develop to support the succession process and the rationales of actors in developing these relationships;
- How FBs make use of their external relationships in managing succession, including what resources and capabilities are accessed through external ties; and
- The value of the external relationships to FB members, including:
    - How patterns of succession can be shaped by external interactions; and
    - Whether FBs can proactively cultivate and use social ties as part of a strategy to effectively manage succession.

From a theoretical perspective, to further develop the concept of relational embeddedness by examining the nature of the external relationships to extend understanding of the complexity of network ties, including:

- Examining the strong/weak social tie conceptualisation to propose a more nuanced framework; and
- Exploring the role of trust in the emergence, development and operation of external network ties.

1.3 Contribution

The following section outlines the study's key contributions.

1.3.1 Theoretical contributions

The focus on the hitherto under-researched dimension of relational rather than structural embeddedness assists in the conceptual development of embeddedness

and understanding of network interactions (Dacin et al., 1999; O'Donnell et al., 2001; Hite, 2003, 2005; Jack et al., 2008; Jack, 2010; Chang, 2011). The multiple dimensions of external network tie content in the FBS setting are explored in detail to shed light on *how* networks of social relations can shape action in a particular context, an identified weakness in Granovetter's (1985) theory of embeddedness (Friedland and Alford, 1991; Powell, 1996; Uzzi, 1997). Through examining cross-boundary network ties in a three-pronged approach involving the initiation phase, the resources flowing across ties, and the nature of the relationships over time, the study provides an in-depth exploration of the nature and content of network ties in a manner largely absent in the existing literature (Jack et al., 2004; Jack, 2010). The various dimensions of tie content are identified and brought together in one of the study's main theoretical contributions: a conceptual model for relational embeddedness in the FBS context, presented at Figure 9.3. The model illustrates the potential multidimensionality of tie nature, responding to calls for further in-depth analysis of the content of network ties to understand their complexity and extend conceptual understanding of relational embeddedness, (Hite, 2003; Jack, 2010, Chang, 2011; Lowik et al., 2012). Granovetter's (1973, 1985) dichotomous notion of strong and weak ties is challenged and a more nuanced representation of tie nature proposed (Hite, 2003; Elfring & Hulsink, 2007; Chang, 2011; Discua Cruz et al., 2013). A conceptual model (Figure 9.3) is advanced to reflect the idea that ties are complex in nature and can be conceptualised as having multiple dimensions, each characterised by a spectrum of strength, and this being bound up with the development of specific types of trust.

An important area of theoretical contribution is the exploration of trust as a key dimension of relational embeddedness in the FBS context. Understanding of FBS external network tie nature is extended through examining the basis for the emergence and development of trust within these ties, the types of trust operating in the ties, and how these may change over time. Delving into the concept of trust in this way to better understand tie content is a theoretical contribution given that several studies addressing embeddedness note the importance of trust but offer little further detail on the issue (Uzzi, 1996, 1997; Hite, 2003; Moran, 2005). Trust is identified as critical in how family members utilised third party actors to identify and bring in external individuals to support

their respective succession processes, thereby enhancing understanding of how third party relations shape interpersonal trust (Ferrin et al., 2006). An important theoretical contribution is made in proposing a conceptual model (Figure 9.5) to capture the nature and dynamics of trust across the external ties that influenced the respective succession processes. The model illustrates the centrality of trust and the need for an appreciation of temporality and complexity in understanding the nature of trust in relationally embedded ties. It also illustrates that the external network ties most influential in FBS processes involved very high levels of trust. The study argues that in the FBS context the relationship between the tie content dimensions and trust is a mutually constitutive one, illustrated in Figure 9.3 by the placement of trust at the centre of the model. The arguments advanced on the nature and role of trust in network ties make an original contribution to research on the concept of embeddedness.

A further theoretical contribution is made through applying an embeddedness perspective to FBS research. By viewing succession through a new theoretical lens, it is demonstrated that succession needs to be conceptualised as a distinctly social process and understanding of the complex phenomenon of intergenerational succession is enhanced.

1.3.2 Empirical contributions

The study makes several empirical contributions to the FB literature. The findings indicate that FB scale and complexity can impact on perceptions about the criticality of the juncture presented by succession, suggesting this issue be given more recognition in research. The gradualness and ambiguity of the phases of the various succession processes suggests a need for an enhanced recognition of the temporal complexity of intergenerational succession. The study confirms existing research in identifying the centrality of the relationship between the incumbent and successor and complements this by indicating that legitimation of the prospective successor in the eyes of the incumbent is a particularly important element.

The dominant assumption that all the key factors in the FBS experience lie within the boundaries of the FB and the family is challenged. Succession is found to be embedded in patterns of social relations (Granovetter, 1985) and there needs to be an expanded conception of the scope of relationships that can

potentially influence FB transitions. The insights into how and why particular external relationships are developed by family members and the wide range of resources they can access through these ties constitute further empirical contributions, extending the FBS literature and the limited body of work on FB advising. It is demonstrated that external relationships can be valuable to and proactively cultivated by FBs in helping to plan and manage succession. The use of a NI based sample helps address the paucity of FB research in this geographic setting. Considering the role of trust in the cross-boundary relationships that influence succession processes addresses a dimension of FBS that has been hitherto overlooked and enhances the current limited understanding of trust in the FB context and in FB advising relationships (Perry et al., 2015).

1.3.3 Practical contributions

Creating and maintaining networks entails effort, time, and resources on the part of entrepreneurs and FB actors (Stam et al., 2014). Given the resource scarcity in many FB settings, it is important that individuals can approach their networking activity in the most effective and efficient manner. This study can potentially assist FBs develop appropriate types and configurations of network ties to support succession processes. By better understanding the roles external actors can play in FBS more mutually beneficial interventions may be possible.

1.4 Thesis structure

This chapter has provided the rationale and objectives for the research project and outlined the key areas of contribution. The next chapter provides a review of the literature which, in line with the identified research rationale and objectives, focuses on FBS and the concept of embeddedness. This review provides an exploration of the current state of knowledge in these areas of research and demonstrates how my study fits into this wider context (Gill & Johnson, 2010). Topics explored include defining the FB and FBS, the range of existing work on succession dynamics, and external relationships in the FB literature. The history of the concept of embeddedness, how it has been operationalised in terms of networks, and notions of tie strength and trust are considered as part of the literature review. This is followed by Chapter 3 on the research methodology which provides detailed discussion on my philosophical

assumptions, the inductive and qualitative approach, the case study research design, data collection, data analysis and methodological limitations. Chapter 4 then outlines the pilot phase of the study, setting out the case characteristics, the findings from the pilot case and methodological refinements made in light of the pilot study. Thereafter the three in-depth case studies of LuxJewel, FuelCo and HotelBiz are presented in chapters 5-7. Each chapter provides a case description followed by data structure diagrams and thematic findings. Chapter 8 presents three 'mini case studies' where only one family member was interviewed in each of the FBs. Each of these mini cases follows the format of the in-depth case studies in chapters 5-7. The penultimate chapter (chapter 9) draws together and reflects on the findings from all the cases to provide a detailed cross-case analysis and discussion. The first section of this chapter focuses on the findings relating to FBS and the multiple stakeholders potentially involved, while the second section offers theorisation on network tie content, including the role of trust in understanding relational embeddedness. Chapter 10 brings the study to a conclusion, providing a recap on the research objectives and articulating the theoretical, empirical and practical contributions. Finally, the limitations of the study and areas for future research are outlined.

CHAPTER 2

2   LITERATURE REVIEW

Based on the study rationale and objectives set out in Chapter 1 this chapter provides a review of the literature to demonstrate awareness and understanding of the current body of research, its limitations and how my study fits into this broader context (Gill & Johnson, 2010). The chapter is divided into two broad sections, the first focusing on the literature relating to FBS and the second on the theoretical concept of embeddedness. Each of these subjects is deconstructed into its respective main elements alongside consideration of how they can be integrated to furnish new insights. Within the review of FBS literature consideration is given to how to define a family business and succession, the work identifying pertinent factors in the process of succession and the potential scope of external relations that may influence succession. The review of literature on embeddedness includes exploration of Granovetter's (1985) theory and its critiques as well as research on network tie content and tie strength. The chapter concludes with consideration of the literature on trust given the potential relevance of trust as a key dimension of relational embeddedness and tie content.

2.1   Family business succession

The following section provides an overview of the emergence of FB research, followed by discussion on defining the FB and succession. The importance of succession for FB survival and the main FBS research themes are considered and the specific research gap to be addressed identified. The field of FB was largely neglected by mainstream management researchers until the 1980s (Bird et al., 2002; Litz et al., 2012). However, since then the field has grown to a substantial body of research with increased methodological rigour (Chrisman et al., 2003; Litz et al., 2012). Gedajlovic et al. (2012) describe the field as having reached its 'adolescence' with a number of research topics remaining underexplored and the theoretical foundations requiring further development (Zahra & Sharma, 2004; Benavides-Velasco et al., 2013). Some authors point to the lack of agreement on the definition of a FB as indicative of the distance still to be travelled by FB as an academic field (Zahra & Sharma, 2004; Chrisman et al., 2005; Benavides-Velasco et al., 2013).

2.1.1 Defining the family business

Substantial energy has been invested in defining a FB, however, there remains no consensus (Westhead et al., 2002; De Massis et al., 2012). With researchers using various definitions comparison between studies and accumulation of knowledge is difficult (Zahra & Sharma, 2004; Birdthistle & Fleming, 2007). Sharma (2002) highlights the challenge, proposing a typology that categorises FBs into a startling 72 conceptual categories based on the number of family and non-family members involved in their ownership and management. Following a review of over 250 papers, Chua et al. (1999) distinguish between theoretical 'essence' and operational 'components-of-involvement' approaches. The latter defines FBs based on the extent and nature of the family involvement in the business, with researchers holding differing views on the combinations of these components that constitute a FB (Sharma & Salvato, 2013). Given the heterogeneity of FBs the variety of operational definitions is hardly surprising. The complexity is increased by the fact that conceptions of family and FB change over time as well as varying across geographic, cultural and institutional settings (Goffee, 1996; Sharma, 2004; Birdthistle and Fleming, 2007; Colli & Rose, 2008).

The 'essence' approach (Chua et al., 1999) considers the family involvement in the business as necessary but not sufficient to classify a firm as a FB (Chrisman et al., 2010). This has to be combined with distinctive forms of behaviour distinguishing FBs from non-family firms, such as the intention to continue a firm across generations and the creation of socio-emotional wealth for the family (Chrisman et al., 2005; De Massis et al., 2012; Sharma & Salvato, 2013). From this perspective the 'components-of-involvement' approach lacks a theoretical basis for explaining why and how the components matter (Chrisman et al., 2005). The most often used definition taking the 'essence' approach is that proposed by Chua et al. (1999:25):

> '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'.

This definition encompasses the notion that the attitudes of the family members towards the future ownership and management of the business matter, not just

quantitative (and inevitably somewhat arbitrary) measures of family involvement (Birley, 2002; Wiklund et al., 2013).

While recognising that the scholarly debate continues, some kind of definition is necessary to provide parameters for a study (Brockhaus, 2004). In this study the theoretical definition proposed by Chua et al. (1999) (quoted above) is used as a starting point. This is a widely used definition that avoids arbitrary measures of family involvement, incorporates the concept of FB distinctiveness, and is inclusive, allowing for diversity in types of FBs. Crucially, this definition includes the intention for continuation of the business as a family enterprise across generations. However, there is a need to operationalise this theoretical definition in order to construct a sample (Sharma & Salvato, 2013). The definition used therefore draws on some of the 'component' oriented definitions: a business is considered a FB if (a) a majority of the shares are owned by members of a family group related by blood or marriage; (b) the CEO/MD is drawn from the family or a significant proportion of the management team are drawn from the family; (c) the CEO/ MD regards the company as a FB; and (d) the company has experienced an ownership and/or management transition to a second or later generation drawn from the family group or the future successor as CEO is expected to be a member of the family (Cromie et al., 1995; Westhead & Cowling, 1998; Chrisman et al., 2002).

2.1.2 Defining succession

There is more consensus about the definition of FBS, although there is still some complexity. Despite this, many studies do not actually define the term. By succession, most FB researchers mean intra-family leadership succession (De Massis et al., 2012). However, as Birley (2002) notes, succession can involve not only the transfer of managerial responsibility but also equity or ownership of the business, and each of these may take place at different times and involve different family members. Intergenerational succession may not be between parent and offspring; it may involve different branches of families and relations that have married into the family (Gersick et al., 1997; Nordqvist & Melin, 2010). The literature emphasises that succession is usually not a one-off event but a complex, multi-stage and multidimensional process over a period of years (Stavrou, 1999; Cabrera-Suarez et al., 2001; Lambrecht, 2005; Filser et al., 2013). Based on a five-year longitudinal study, Murray (2002, 2003) argues that

a realistic time-scale of generational succession appears to be between three and seven years. Morris et al. (1996) stress that succession must be understood as the dynamics leading up to and following the actual transfer of ownership and/or management.

There is less consensus on what constitutes a successful succession (Filser et al., 2013). Some authors suggest that the success of a transition can be determined by the subsequent positive performance of the firm and by the satisfaction of stakeholders with the process (Venter et al., 2005; DeMassis et al., 2012). However, others argue that the more subjective element of stakeholder satisfaction alone is an adequate definition (Santiago, 2000; Venter et al., 2005). Indeed, the two dimensions could conflict: Morris et al. (1997) find that smoother transitions do not necessarily result in better post-transition performance. Other criteria by which to judge successions may be family harmony after the transition or simply maintaining family control into a further generation (Sharma et al., 2000).

This study defines FBS as the transfer of managerial leadership (which may or may not include transfer of ownership) to another generation of the family. The success criteria for inclusion in the sample is simply that the business continues to operate under the new generation's leadership. Ascertaining the levels of harmony or perceived levels of satisfaction among family members would be difficult in practical terms and requiring FB growth post-succession ignores other factors which may have impacted on the company's performance. Having articulated the definitions used, the following section outlines why succession is such an important phenomenon for FBs.

2.1.3 Succession: a critical juncture

De Massis et al. (2008) state that succession is the most important concern of FB founders/incumbents. While it could be questioned whether succession is *the* dominant concern, it is clear that it is an issue of high significance for most FB founders/incumbents (Lussier & Sonfield, 2012; Benavides-Velasco et al., 2013) and surveys of FBs reflect this (Fletcher, 2010; PWC, 2012a). Achieving an effective succession can be critical to the future prosperity and even the very survival of the business (Rose, 1993; Colli et al., 2003; Stamm et al., 2011). De Massis et al. (2008:183) comment that it can:

'…threaten the viability of the firm and the harmony of the family, not to mention jeopardising the cherished intentions of the incumbent leader, potential successors, and other stakeholders'.

It is not surprising, therefore, that succession has been a dominant topic in the FB literature (Zahra & Sharma, 2004; Benavides-Velasco et al., 2013). In addition, there are many practitioner-oriented publications on the topic (Drake, 2009; Lussier & Sonfield, 2012). However, despite the amount of research attention, this complex phenomenon is not fully understood, with a number of issues remaining unresolved and a fragmented literature (Lambrecht, 2005; Venter et al., 2005; Brun de Pontet et al., 2007). This incomplete understanding, coupled with succession being a very significant activity for FBs, indicates the need for further research to understand its many facets (Steier, 2001).

2.1.4 Key themes in the FB succession literature

As Filser et al. (2013) comment, succession is a multidimensional process influenced by multiple variables. The following section structures consideration of the literature around five broad (and inevitably partially overlapping) themes: incumbent-related factors; successor-related factors; relationship factors; planning factors; and financial factors.

2.1.4.1 Incumbent-related factors

Considerable research has focused on the role of the incumbent in supporting or hindering effective intergenerational succession. This has a particular focus on the incumbent's reluctance (or even refusal) to 'let go' for a range of reasons, including psychological attachment to the business, need for status and control, fear of retirement and death, and absence of a life outside the business (Levinson, 1971; Lansberg, 1988; Dyer & Handler, 1994; Handler, 1994; Lambrecht, 2005; Filser et al., 2013). The tendency for founders to cling on to power is partially attributed to behavioural traits often found in successful entrepreneurs such as being a workaholic, dominant and egotistical, ironically the very traits which often help make them successful in the first place (Rose, 1993; Ibrahim et al., 2001). In reviewing the literature on this topic, Cater and Kidwell (2014) observe that there seems to often be a lack of trust developing as a new generation comes up for succession, including concerns as to whether the successors will remain true stewards of the mission of the firm.

Brun de Pontet et al. (2007) demonstrate a lack of mutuality between generations in the succession process with an increase in a successor's authority not being strongly related to a decline in the incumbent's power. This indicates the complexity of the shifts that have to take place within what Handler (1994) describes as the process of mutual role adjustment. Mitchell et al. (2009) identify the willingness of incumbents to transfer control as an important dimension of the discretion required by successors to exert agency to achieve post-succession success. Mussolino and Calabro (2014) use the construct of paternalism to argue that incumbents' interference can be a positive as well as a negative force in a succession. They contend that a 'benevolent paternalistic' leadership strategy can support a succession if strategically deployed.

2.1.4.2 Successor-related factors

A second key theme focuses on the successor, or prospective successor. Members of the next generation may not want to enter the business, perhaps due to negative perceptions developed through their childhood experience (Getz & Petersen, 2004). Beyond this, researchers have considered successor capabilities, education, attitudes, and experience as factors influencing succession processes (Morris et al., 1996; Stavrou, 1999; Le Breton-Miller et al., 2004; Brockhaus, 2004; De Massis et al., 2008; Filser et al., 2013). Dyer and Handler (1994) note that critical factors are the extent to which next generation career interests and psychological and lifestyle needs can be met through the FB.

Sharma et al. (2000) identify the presence of a competent successor as key in facilitating a smooth succession, while Ip and Jacobs (2006) emphasise successor mentoring and preparation. De Massis et al. (2008) recommend that successor preparation has a formal element with an evaluation of the successor's abilities and a plan to address any gaps. This should be complemented with early exposure to the business to establish relationships, build credibility, and understand the culture. Chalus-Sauvannet et al. (2016) explore a neglected dimension in their study of successors who did not originally plan to enter the FB but rather make an objective decision to take over following careers in other fields. In these cases incumbents were willing to relinquish power because it was the successor acting in an entrepreneurial way to enter and grow the business and operating from a position of legitimacy given their professional success outside the FB.

There is a stream of research on the additional challenges faced by daughters in the FB (Stavrou, 1999; Ip & Jacobs, 2006). Wang's (2010) review of the literature demonstrates that succession is often biased by gender and daughters are rarely included as candidates. This results from an interaction between macro (societal/cultural attitudes towards women) and micro (individual and family) factors that both stereotype and discriminate against the daughter. Martin's (2001) study of SMEs in the UK found that daughters were ignored where succession was contemplated while elsewhere daughters only featured in the absence of sons (Garcia-Alvarez et al., 2002; Curimbaba, 2002). Sharma (2004) calls for more research on the gender issues, particularly as more women take over FBs. Broadly speaking, the literature highlights the way societal attitudes toward women and cultural expectations of their gendered roles are often reflected and perpetuated, consciously and unconsciously, in the FB (Wang, 2010).

2.1.4.3 Relationship factors

De Massis et al. (2008) identify a range of opportunities for relational issues to cause problems related to succession, including tensions between incumbents and successors, conflicts among family members, lack of trust in potential successor(s), and conflicts between family and non-family members. In their unusual qualitative, longitudinal study Helin and Jabri (2016) find that it was through intra-family dialogue that the polyphonic nature of the succession process became apparent and progress was possible through family members being able to give voice to their concerns, hopes and dreams. Based on their findings amongst German wine FBs Jaskiewicz et al. (2016) posit that firms focusing on family continuity without paying attention to family unity seem to suffer from intergenerational conflicts. Interestingly, as Birley (2002) notes, while issues relating to family conflict receive research attention, there has been little examination of the issues from the perspective of family members other than the incumbent and successor.

The literature identifies the relationship between incumbent and successor as a critical determinant of the succession process (Le Breton-Miller et al., 2004; Sharma, 2004). Venter et al. (2005) demonstrate that the relationship between the owner-manager and the successor has a significant influence on the perceived satisfaction with the transition as well as the continued performance of

the business. Steier (2001) and Cabrera-Suarez (2001) demonstrate the important role of the relationship in enabling the essential transfer of social capital, networks and embedded tacit knowledge between the generations. However, positive relationships between incumbent and successors alone are insufficient. Colli and Rose (2008) note the intensity and regularity of family conflict related to succession. Such conflict may arise when family and business roles have not been clearly defined, due to generational envy or sibling rivalry, and/or when family politics spill over into business (Sharma, 2004; Getz & Petersen, 2004; Ip & Jacobs, 2006). As Nordqvist and Melin (2010) note, there are types of conflict that can emerge in FBs that are not likely to emerge in other business contexts, including marital discord, children's wishes to differentiate themselves from their parents, and perceived unfairness in the division of ownership among family members.

2.1.4.4 Planning factors

The literature also focuses on planning for FBS. The emphasis is on the need to avoid a sudden departure and to plan effectively for the transition over a long period (Morris et al., 1996; Sharma et al., 2000). However, studies indicate that many FBs continue to inadequately, or even completely fail, to plan for succession (Cromie et al., 1995; Brown & Coverley, 1999; Janjuha-Jivraj & Woods, 2002; Malinen, 2004; Ibrahim et al., 2008). Through a case study of a failed succession in a small FB, Dyck et al. (2002) emphasise the need for a well-planned 'passing of the baton' from incumbent to successor involving attention to successor development, appropriate timing of change, detailed planning of the transition, and intensive communication between all the stakeholders.

2.1.4.5 Financial factors

The literature on the financial dimension concentrates on the taxation and inheritance law regimes and associated implications for the family and FB (Filser et al., 2013). For example, a FB may be unable to sustain the tax burden related to succession (Chaimahawong & Sakulsriprasert, 2012), or there may be a lack of resources to enable the exit of other siblings if only one child is to take over the business (Getz & Petersen, 2004; De Massis et al., 2008). There tends to be a focus on technical aspects, such as how to pursue efficient and timely tax and estate planning (Murray, 2003). Bjuggren and Sund (2005) note how

taxation and institutional regimes can make it very complicated to plan and execute the transfer of business ownership within the family during the lifetime of the owner.

The review provided in the preceding sections outlines the major themes in FBS research and recognises the extent of the work to date on this complex phenomenon. Nevertheless, there are shortcomings in the body of research and some important issues that remain underexplored (Sharma et al, 2000; Lambrecht, 2005; Brun de Pontet et al., 2007; De Massis et al., 2012). The following section identifies the particular research gap that this study addresses and outlines the limited existing research on external relationships in the FBS literature and in the FB literature more broadly.

2.1.5 Gap in the FBS literature: external relationships

The literature has largely ignored the influence relationships with actors outside the family and the FB may have on how FBs conceive of, plan for, manage, and experience succession. As the review indicates, the focus of FBS research has been overwhelmingly on factors internal to the FB and the family. Very few studies consider the role of external contextual factors in shaping succession. At best there is brief mention of issues such as the state of the market and economy, buy-out offers from potential investors, and/or pressure from lenders (Malinen, 2004; Chaimahawong & Sakulsriprasert; 2012; Filser et al., 2013). In their category of 'context factors' De Massis et al. (2008) refer only to possible changes in business performance, decreased business scale, and the loss of key customers or suppliers as contextual factors that can negatively impact on FBS processes.

There needs to be an enhanced recognition that FBS does not take place within a social vacuum. The literature gives some acknowledgement of this dimension but leaves it underexplored with a paucity of empirical studies. Barnes and Hershon's (1976) early article highlights the role outsiders can sometimes play in opening dialogues across the different perspectives of family managers, relatives, employees and outsiders to aid successful transitions. Beckhard and Dyer (1983) suggest that FB owner-managers consult external advisors to help support the succession process. Dyer and Handler (1994) and Chua et al. (2003) comment that because of the difficulty and novelty of managing succession

founders/incumbents have been more willing to ask for outside help in the form of either research or consulting on the question. However, in a recent paper, in which they propose a conceptual model for the possible roles trusted advisors may play in FBS, Michel and Kammerlander (2015) note that, although there is a huge body of literature on FBS, the role of trusted advisors in the process is still understudied.

A recent study that addressed this neglected area is Salvato and Corbetta's (2013) examination of the role that non-family professional advisors can play in developing the leadership of successors. Through four case studies they argue that advisors can help build the successor's leadership capability, grant recognition of his/her leadership role thereby countering challenges from other sources, and offer a role model. Salvato and Corbetta (2013) draw on the leadership literature to suggest the need for a more nuanced view of succession as a social process in which leadership is gradually constructed through the contribution of a broad group of actors within and outside the organisation. Daspit et al. (2016) welcome the study but lament the dearth of other research examining how exchanges across family boundaries with non-family stakeholders can be cultivated to facilitate succession processes. While helpful, Salvato and Corbetta's (2013) study concerns only one dimension of the social process of succession with its focus on successor leadership capability construction. The potential multiple roles of a range of external actors on the wider succession process remains unexplored.

2.1.5.1 The FB literature and external relationships

It is helpful to understand what research attention has been focused on the role of external relationships in the wider body of FB literature (beyond just succession matters). Therefore, the following section considers the benefits external interactions can bring FBs and the research on advising FBs.

The dominant focus in terms of relational issues is on FBs having strong internal orientations (Roessl, 2005; Arregel et al., 2007; Kontinen & Ojala, 2011; Pukall & Calabro, 2014). Based on a review of the literature, Roessl (2005) points to FBs having a tendency towards privacy, a preference for long-established loyal relationships based on interpersonal trust, and a commitment to financial independence. The depth of Roessl's (2005) literature review can be questioned,

nevertheless his observations suggests the barriers that may inhibit FBs embracing external interactions. The work by Classen et al. (2012) supports Roessl's (2005) argument in their findings that Belgian and Dutch family SMEs use a less diversified set of partners to acquire innovation-related resources than non-family SMEs. They contend that this is because FB leaders' focus on socioemotional wealth results in them working to maximise family control and minimise external influences, even if this affects long-term viability.

Despite this focus on internal relations there is some indication of the relevance of external social relations for FB success. Through a longitudinal study of FBs in Italy and Switzerland, Salvato and Melin (2008) demonstrate that the social and professional networks of family members can play critical roles in facilitating the exchange of core organisational resource and value-creating strategies. Through their quantitative analysis of Swedish firms Bird and Wennberg (2014) find that the strong relationships family start-up firms establish with a range of actors in regional communities help them overcome resource scarcity. They conclude that these relational, non-economic factors are of high importance for the emergence of family start-ups while regional economic factors are more important for the emergence of non-family start-ups. In the case of Finnish family SMEs operating in France, Kontinen and Ojala (2011) find that it was predominantly through ties formed through international trade exhibitions or an unsolicited order, rather than existing network ties within the family or FB circle, that SMEs recognised internationalisation opportunities. Their strong internal family ties were inadequate to provide the type of novel information and connections to facilitate internationalisation strategies.

The role of advisors and external mentors are aspects of FB relationships with outsiders which have previously been the subject of consulting-based publications but of little academic study (Boyd et al., 1999; Strike, 2012; Naldi et al., 2015; Distelberg & Schwarz, 2015). Strike (2012) identifies three types of FB advisor: formal advisors hired by firms such as accountants and consultants; informal advisors such as friends or mentors; and FB boards. Scholars suggest that impartial non-family board members can mediate between feuding family factions and can help build consensus but this requires board members who are competent, have the trust of the family, and who understand the family dynamics (Voordeckers et al., 2007; Bammens et al., 2011). Sundaramurthy

(2008) states that an active board with non-family outsiders can offer FBs access to expertise and networks, steer board discussions to be more objective, and ultimately enhance their chances of survival. LaChapelle and Barnes (1998) identify a board role for outsiders acting as 'trust catalysts', helping to ameliorate intra-family tensions. However, studies suggest a reluctance to bring outsiders on to family boards for fear of losing control over decision-making (Voordeckers et al., 2007; Bammens et al., 2011). Lambrecht and Lievens (2008) find that families may prefer an advisory board because this did not challenge the control of the family but facilitated input from outsiders.

Beyond the limited work on the role of outsiders on FB boards, the topic of advising FBs has started to receive more research attention. Nicholson et al. (2010) find in their survey of New Zealand family SMEs that accountants were the most used type of external advisors utilised by the firms and those who attended to psychological and emotional needs as well as business needs of the FB were most valued. The most common criteria for how FBs selected an advisor were previous experience of the advisor, the reputation of the advisor, and then whether there was trust and personal rapport between the family members and the advisor. Nicholson et al. (2010) recognise their survey was only small scale and exploratory and call for further scholarly research on the issues. Davis et al. (2013) underline the need for this research, observing that FB advisors face 'uniquely dynamic environments' given the need to understand the complex interplay between family, management and ownership dimensions, along with multi-generational involvement, the often strong influence of founders, and cultures of privacy. Strike (2013) provides an enhanced understanding of the subtle processes through which 'most trusted advisors' can play an influential role in FBs. Her study examines six North American FBs and identifies helping family members to interrelate, mindful governance, guiding attention, and facilitating collective action as important roles played by advisors. Strike's work highlights that advisors can be involved with FBs for many years, not just through short-term consultancy relationships, and often operating behind the scenes (Reay et al., 2013). This study, along with that of Su and Dou (2013), departs from the step-by-step practical guidance approaches aimed at FB advisors typical of earlier publications. Again working in the North American context, Su and Dou (2013) take issue with the tendency of advisors to work

independently of one another and find that sharing can assist in improved accuracy of issue identification and development of solutions. Strike (2013) and Su and Dou (2013) consider only one type of external actor and do not consider succession (or any other specific FB process), however, their studies indicate the need to consider the role of actors beyond the family and FB in considering the complex dynamics of FB.

In the same Special Issue edition of *Family Business Review* Barbera and Hasso (2013) further develop understanding of the role of FB advisors through their study of the effect of using external accountants on FB performance. They find that accountants need to have a high degree of familiarity with the family and the firm's needs alongside having appropriate strategic planning processes in place to impact positively on firm sales growth and survival. The relationship between the FB and external accountant is understood to be one of mutual collaboration, trust and commitment based on a deep understanding of the complexities of the FB. However, this inference has to be treated with some caution because it is based on frequency of use as a proxy for advisor familiarity with the family and firm.

Although few in number, the recent studies prompt the question that if relationships with external advisors can be influential in FB start-up and ongoing performance, what role can they play in another critical area for the FB, namely succession? Neglecting the role of advisors in succession potentially leads to overlooking important elements of the process and thus a distorted understanding (Michel & Kammerlander, 2015). This exploration of the literature on FB external relationships suggests that there is a need to look beyond the dominant assumption in the FB field that all the key dimensions of the succession experience lie within the boundaries of the family and FB. In Alvesson and Sandberg's (2011) terminology, this goes beyond simply 'gap-spotting' to question, at least to some degree, the assumptions underlying the literature.

Michel and Kammerlander (2015) note that despite recent advances in scholarly knowledge about the influence of advisors in FBs, our understanding of their role is still superficial. Furthermore, Perry et al. (2015) comment that despite the importance of trust in business advising, few researchers have examined

trust in FB advising relationships. This study makes a contribution on both these issues through exploring the multidimensional roles of formal and informal external advisors in FBS and examining the basis for the development of trust within these relationships and the types of trust involved.

2.1.5.2 *FB within the wider entrepreneurship and small business literature*

The broader entrepreneurship and small business literature suggests the value in exploring the role of external relationships on FBS. Drawing on a large-scale survey Bennett and Robson (1999) find that 95% of respondent SMEs used sources of external advice. More recently, Saunders et al. (2014b) demonstrate that SMEs value learning from external sources, including business peer groups and mentors. There is now a recognition that entrepreneurship is an inherently social phenomenon with external network relationships being essential for supporting the start-up, growth and performance of entrepreneurial firms (Steier, 2001; Anderson et al., 2005; Morrison, 2006; Kalantaridis, 2009; Jack, 2010). It might be expected that this would have translated into research attention on these issues within the FB field given that FBs can be distinctly entrepreneurial in nature. However, it is only recently that some researchers have heeded the calls for more cross-fertilisation between the fields of entrepreneurship and FB (Greve & Salaff, 2003; Nordqvist & Melin, 2010; Lumpkin et al., 2011; Arregle et al., 2015; Miller et al., 2016). My research connects with this emerging interaction of the two fields through exploring what role social relationships and networks - a strong focus in entrepreneurship studies - can bring to FB studies, specifically in terms of FBS. Embeddedness has been used as an approach in the study of entrepreneurship (Jack & Anderson, 2002; Kalantaridis, 2009; Wang & Altinay, 2012). The current study extends this work, contributing to the further development of embeddedness theory by drawing on the distinctive features of FB to deepen theoretical understanding and by concentrating on an overlooked dimension of FBS (Stewart & Miner, 2011). Section 2.2 therefore reviews the literature relating to the theoretical concept of embeddedness.

2.1.6 Scope of external relationships influencing FB succession

At this point it is helpful to consider the types of relationships and interactions that may influence FBS. Drawing on the literature a number of possible social ties can be identified as potentially having an impact on FBS patterns. These are

listed in Table 2.1 below, although it should be noted that this is not an exhaustive list.

Table 2.1: Possible social ties influencing FB succession

Professional advisors	Business related ties	Personal ties	Others
Business/ Management consultants Accountants / financial advisors Solicitors / legal advisors Other advisors (e.g. HR, IT, marketing)	Business forums/ networks e.g. chambers of commerce, advisory forums Customers/clients Suppliers Professional/ industry/ trade organisations Other FB owners/managers Local enterprise agencies / government funded bodies Non-family business managers	Family members outside the firm Friends Community / charitable organisations Other groups/clubs e.g. places of worship, neighbourhood-based	Academics / universities / research centres Other trusted informal advisors / mentors Contacts made at events / conferences Online contacts / networks

Individuals could, of course, occupy more than one of these categories and their relationship to the member of the FB could change over time. Furthermore, it may be that it is a one-off or infrequent interaction rather than an ongoing relationship that influences the succession process in some way.

2.2   Embeddedness

Granovetter's (1985) seminal work on the concept of embeddedness is examined, followed by exploration of extended and alternative conceptions. The review considers the need for an enhanced understanding of relational embeddedness, including drawing on the concept of trust to better understand tie content and challenging the dichotomous strong/weak tie construct.

2.2.1   Granovetter's concept of embeddedness

Granovetter's (1985) *Economic Action and Social Structure: The Problem of Embeddedness* is the seminal work on the concept of embeddedness. He argued

that economic action (like all action) is socially situated, and cannot be explained by individual motives alone; rather it is embedded in ongoing patterns of social relations (Granovetter, 1985, 1992). Granovetter sought to bridge the gap between classical economists' 'under-socialised' views of economic action and sociologists' 'over-socialised' conception (Granovetter, 1992; Dacin et al., 1999):

> 'A fruitful analysis of human action requires us to avoid the atomization implicit in the theoretical extremes of under- and oversocialized conceptions. Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations' (Granovetter, 1985:487).

In particular, Granovetter (1985) took issue with an understanding of economic exchange as purely shaped by rational calculations of individual gain, instead emphasising the role of networks of interpersonal social relations in shaping behaviour. The notion of embeddedness rejected both the view that social relations were essentially peripheral to economic action as well as the idea that individuals are compelled to act by a set of norms and values that are thoroughly internalised (Granovetter, 1992; Uzzi, 1996; Krippner et al., 2004; Beckert, 2007).

In Granovetter's conception the key to explaining individuals' behaviour in economic contexts is examination of their involvement in social network relations (Granovetter, 1985; Krippner & Alvarez, 2007). Granovetter's understanding is that economic action and outcomes, like all social action and outcomes, are affected by actors' dyadic relations *and* by the structure of the overall network of relations (Granovetter, 1992b). It is through networks of social relations that people are able to construct durable relationships which, over time, enable a sense of trust and cooperation to develop which plays an important role in the functioning of economic systems (Granovetter, 1985; Peredo & Chrisman, 2006).

2.2.2 Critique of Granovetter's concept of embeddedness

While extremely influential, Granovetter's concept of embeddedness has been subject to criticism. Wang and Altinay (2012) note that, like the emergence of most influential theories, embeddedness as a theory has not been fully

developed. More specifically, Friedland and Alford (1991) argue that ambiguity remains about *how* the networks of social relations affect economic exchange. Social networks *per se* do not have any content and without understanding this dimension it is impossible to explain what kinds of social relations have what kind of effect on the behaviour of organisations and individuals (Friedland & Alford, 1991). Granovetter (1985, 1992b) makes reference to the kind of personal relationship two actors have and the role of the history of interactions and trust in shaping this, however, network content is not explored in depth. Thus Powell (1996) asks just *how* decisions are embedded in social context. This is a criticism echoed by Uzzi (1997) who welcomes Granovetter's conceptual contribution but laments its 'theoretical indefiniteness' given that it lacks its own concrete account of how social relations affect economic exchange. Other scholars note the lack of theoretical depth and narrowness in focus of the embeddedness concept (Portes & Sensenbrenner, 1993; Rao et al., 2000; Steier et al., 2009).

Polanyi (1957) is often referenced as laying the ground for Granovetter's seminal publication. For example, Kenney and Goe (2004: 692) treat Granovetter and Polanyi's conceptions of embeddedness as essentially in the same vein and both concerned with the notion that,

> '…economic action is [also] influenced by the web of social relationships and institutions in which the individual or organization is embedded'.

However, this combining of the Polanyian and Granovetterian notions of embeddedness is an oversimplification. Beckert (2007) and, in particular, Krippner and Alvarez (2007), have gone further, arguing that the Polanyian and Granovetterian notions are conceptually distinct. Focusing on his 1985 paper, Barber (1995) criticises Granovetter's focus on interpersonal networks, neglecting other elements of the broader social, cultural and political systems within which economic action is embedded. Similarly, Krippner and Alvarez (2007) see Granovetter's conception as too narrow, not venturing into macro-sociological sources of embeddedness. Their argument is that Granovetter's focus on the relational bases of social action in economic contexts is distinct from Polanyi's focus on the integration of the economy into broader social and

institutional systems (Krippner & Alvarez, 2007; Owen-Smith & Powell, 2008; Heidenreich, 2012).

The critique of Granovetter's work appears, however, to be unduly harsh. Here a close reading of Granovetter's (1985) article and the transcription of a symposium in 2002 entitled '*Polanyi Symposium: a conversation on embeddedness*' (Krippner et al., 2004), in which both Krippner and Granovetter participated, are helpful. Granovetter accepts that he used the term embeddedness in a narrower way than Polanyi but this was because he was not trying to re-appropriate the Polanyian concept and did not conceive of the article as being in dialogue with Polanyi. Indeed, Polanyi hardly uses the term embeddedness and it is not a well-defined, central concept in his writings (Beckert, 2007). Granovetter takes issue with Krippner's charge that he was advocating the analysis of social networks as the main or only goal of economic sociology, arguing that his focus on social networks was a strategic research decision. However, Granovetter can be criticised for not making more explicit that he was focusing on a particular dimension or mechanism of embeddedness (interpersonal networks) that should be understood as situated in the context of broader social, cultural and political systems within which economic action is embedded. The critiques by Barber (1995), Beckert (2007), and Krippner and Alvarez (2007) seem to go too far in condemning Granovetter's conception as too tightly-drawn and ignoring the macro-sociological sources of embeddedness (Krippner et al., 2004). As Granovetter comments in rather blunt terms:

> 'Maybe if I had known it would be an influential paper I would have taken more care to say that there's more to life than the structure of social networks. But it never really occurred to me that I had to worry about that' (Granovetter in Krippner et al., 2004:115).

Krippner and Alvarez (2007) arguably draw too sharp a distinction between Polanyi's and Granovetter's conceptions of embeddedness. Rather, they each pursued different aspects of how social factors shape economic action, focusing their respective lenses on different levels of analysis and components of 'the social'.

2.2.3 Alternative concepts of embeddedness

Given the critiques of Granovetter's notion of embeddedness, the concept has been further developed by other scholars across a range of fields. It is helpful therefore to examine the attempts to refine the concept.

2.2.3.1 'Built down' concepts of embeddedness

Suggestions for developing the concept of embeddedness tend to either build the concept up by adding a theory of institutions or down to provide a more explicit theory of action (Krippner and Alvarez, 2007). The main researcher to address the latter has been Uzzi, along with colleagues. Through empirical studies of network ties between garment firms in New York, Uzzi (1996, 1997) considers how the embeddedness of economic activity in social network relations shapes patterns of economic exchange. He distinguishes between arm's-length and embedded ties, with the latter being long-lasting, close relationships between firms. However, this conception can perhaps be criticised for inadequately reflecting that all economic actions are embedded to some extent in social relations and structure. Uzzi's notion of arm's-length ties seems to suggest that in these types of relations 'the social' is absent or minimal, preserving intact the asocial market construct characteristic of the neo-classical economists (Krippner et al., 2004). Uzzi (1996, 1997) concludes that firms derive particular economic value from embedded ties through three mechanisms: trust, fine-grained information transfer, and joint problem solving. In later work, Uzzi and Gillespie (2002) reiterate this argument, demonstrating that firms that embedded their commercial bank exchanges in strong social attachments established non-contractual governance arrangements of trust and reciprocity that facilitated the transfer of distinctive resources from the bank to the firm. A more detailed discussion on these findings is provided in section 2.2.7.3 considering the content of network ties. At this point it is enough to note that Uzzi's conception aligns with Granovetter's focus on the effect of interpersonal relations on economic action but provides more detail about how the networks of social relations affect economic exchange. In this respect Uzzi (1996, 1997) responds to the criticisms made by, for example, Friedland and Alford (1991) and Powell (1996).

2.2.3.2 'Built up' concepts of embeddedness

While helpful in putting meat on the bones of Granovetter's (1985) conceptual contribution, Uzzi's focus arguably remains relatively narrow with its specific consideration of interfirm network relations and the impact on logics of exchange. Other researchers have sought to broaden the concept to include other social dimensions influencing economic action. An important early contribution was made by Zukin and DiMaggio (1990) who identify four types of embeddedness – cognitive, cultural, political and structural. Granovetter's (1985) focus was only on the fourth of these types in terms of the structure of interpersonal social networks. Kloosterman and Rath (2001) advance a notion of 'mixed embeddedness' where enterprise must be seen as grounded not only in personal networks but also in the surrounding structural context of markets, competition and the state regulatory regime (Ram et al., 2008). Kenney and Goe (2004) refer to 'nested embeddedness' seeing individuals embedded in a nested structure of social relationships and institutional layers, each of which may influence his/her economic behaviour. Another contribution is made by Hagedoorn (2006) who conceptualises embeddedness of interfirm partnering behaviour at three levels: environmental, inter-organisational, and dyadic. The first two elements go beyond the Granovetterian focus on interpersonal social networks.

However, the additional dimensions of embeddedness identified by Zukin and DiMaggio (1990) have found limited use in management research. There has remained a strong focus in management and economic sociological embeddedness research on the structural dimension of social networks. This is perhaps because researchers may consider it to be methodologically easier to apply favoured quantitative techniques to analysis of network structures than to these other dimensions (Krippner et al., 2004).

2.2.4 Definition of embeddedness used in this study

It is important to identify the specific theoretical terminology and associated understanding that is employed in this study. Zukin and DiMaggio (1990) and Uzzi (1996, 1997) use the term structural embeddedness to encompass both the material quality and the architecture of ties among actors. However, Rowley et al. (2000) use the term structural embeddedness to relate specifically to only one

of these components - the structure of networks of relations. They argue that network embeddedness is made up of two dimensions – structural embeddedness which is concerned with the characteristics of network structures and relational embeddedness which is concerned with the characteristics of the relationships. While the two are interconnected, this differentiation between relational and structural embeddedness is helpful in drawing a distinction between the two important facets of relationships between actors – the content of ties or what is going on within relationships (relational embeddedness), and the structure or architecture of the network ties (structural embeddedness). Therefore, Rowley et al.'s (2000) definition of relational embeddedness is utilised in this study. This conception is actually very close to that articulated by Granovetter:

> '"Embeddedness" refers to that fact that economic action and outcomes, like all social action and outcomes, are affected by actors' dyadic (pairwise) relations *and* the structure of the overall network of relations. As a shorthand, I will refer to these as the relational and the structural aspects of embeddedness.' (Granovetter, 1992b:33)

Moran (2005) also adopts this approach, recognising that it aligns with Granovetter's (1985) original conceptualisation of embeddedness, distinguishing between the configuration of one's network and the quality of those relationships. A key reason for the focus on relational embeddedness in this study is that structural embeddedness has hitherto received most research attention.

2.2.5 Dominant focus on structural embeddedness

Dacin et al. (1999) identify structural embeddedness as the dominant sub-stream in the literature with its focus on the position occupied by an actor in the network. Contributors have included Baker (1984) and Burt (1992) who have been criticised for their 'hard structuralism' in which the architecture of network ties alone is taken as sufficient to explain social outcomes (Krippner and Alvarez, 2007). Even Rowley et al. (2000), who consider both structural and relational embeddedness in their study, exhibit a strong focus on structural characteristics of relationship networks, specifically network density. Uzzi (1996, 1997) has been one of the few researchers to look beyond network structure to also study the nature of the social relationships between and among exchange partners. Further discussion of this neglect of the relational

component is provided in section 2.2.7.2 which looks at networks as the main way in which embeddedness has been operationalised in research. Before turning to this, it is worth focusing on the connections to the field of FB, and specifically FBS, which is the setting in which the development of embeddedness theory is pursued in this study.

2.2.6 Embeddedness and FB studies

An embeddedness perspective has not generally been adopted in FB research to explore how economic decisions are influenced by social relations and structure. A small number of researchers have adopted a 'family embeddedness perspective' which is specifically focused on introducing to entrepreneurship studies a much enhanced recognition that the entrepreneurial process is embedded in the entrepreneur's family systems, attitudes, and resources (Aldrich & Cliff, 2003; Le Breton-Miller & Miller, 2009; Wiklund et al., 2013). While helpful in expanding the FB literature, the approach is essentially focused on how the family is embedded in the FB and the FB embedded in the family. However, as indicated earlier, there is a need to challenge the assumption that all the key dimensions of the succession process lie within the boundaries of the family and FB. Embeddedness provides a theoretical perspective through which to do this.

Barbera and Hasso (2013) provide a rare example of where the notion of embeddedness has been utilised in FB research. In their quantitative study they consider how the embeddedness of external accountants impacts on FB performance. However, the level of embeddedness is measured in fairly simplistic terms by frequency of provision of advice which is used as a proxy for the level of trust and commitment in the accountant advisory relationship. A more nuanced understanding of the role of embeddedness in the FB context, including actors other than accountants, is necessary. Thus, drawing on embeddedness theory in the FBS context is a novel contribution, adding to the contributions made by researchers across a wide range of fields to the body of embeddedness research.

2.2.7 Operationalisation of embeddedness: networks

In their review of research on the concept of embeddedness Dacin et al. (1999) take a three pronged approach, focusing on the macro level sources of

embeddedness, the mechanisms by which embeddedness is consequential and outcomes of embeddedness. They note that in terms of mechanisms a dominant stream of embeddedness research adopts Granovetter's (1985) emphasis on the conceptualisation of social structure primarily in terms of inter-actor ties and relationships. Indeed, the study of social networks has played a central role in research approaches to organisational embeddedness (Dacin et al., 1999). It is predominantly through the study of inter-actor ties in networks that patterns of social relationships and their influence on economic action have been conceived of and studied. This section therefore provides a review of the relevant literature, including consideration of the definition of a network and the dominance of research on network structure. The section concludes with a consideration of the literature on trust as a dimension of network content and tie strength.

2.2.7.1 Defining Networks

This study focuses on extending understanding of relational embeddedness through considering the roles external network ties can play in FBS. It is therefore necessary to define what is meant by a network. O'Donnell et al. (2001) state that a network can be seen as a series of direct and indirect ties from one actor to a collection of others. A broader interpretation is offered by Jack (2005) of a network being the set of links of all kinds amongst a set of individuals. The notion of the entrepreneur's personal network emerges in the literature with some researchers differentiating between inter-organisational networks and the entrepreneur's personal network (O'Donnell et al., 2001). Broadly speaking, there is a focus in the literature on entrepreneurial networks as ego-centred networks with all relations extending from, or converging on, the entrepreneur (O'Donnell et al., 2001; BarNir & Smith, 2002). In the context of FBS, which involves more than one family member, this type of definition appears too restrictive, potentially overlooking relevant relationships between FB members other than the founder/incumbent and external actors. Therefore, this study adopts a broader definition which encompasses both inter-organisational and personal dimensions. The specific definition used is that offered by Bagwell (2008) of a network as comprised of relationships between the firm or the individual and the myriad links with organisations and other individuals in the wider environment.

2.2.7.2 Dominant focus on network structure

Understanding entrepreneurship as a social phenomenon has involved focus on networks as the key means through which entrepreneurs become embedded in the social (Dodd & Anderson, 2007). The structure of the entrepreneur's network is a dominant theme within this research (Jack et al., 2008) and this aligns with the wider field of social network analysis (Knox et al., 2006). Network processual and content aspects have been neglected (O'Donnell et al., 2001; Jack, 2005). Features which have received substantial attention include the centrality of an actor's position, network density (the degree to which an actor's contacts are interconnected), network size and network diversity (Dacin et al., 1999; Hoang & Antoncic, 2003; Rodan & Galunic, 2004; Moran, 2005). For example, Birley et al. (1991) and Dodd and Patra (2002) investigate the size, density and diversity of entrepreneurial networks, as well as the length of time spent on cultivating and maintaining ties. BarNir and Smith (2002) also take a predominantly structural approach to examining the role of executives' networks in inter-firm alliance establishment, looking at the scope, range and duration of network ties. In one of the very few studies to consider the role of family firms' relations with external actors, Salvato and Melin (2008) find that family members' external networks can play important roles in facilitating value-creating strategies. They take a largely structural approach, looking at how the centrality of family members in their social and professional networks and the extent of network closure increase the family's ability to access resources. These studies give a sense of the preference for considering network architecture and, in many cases, applying quantitative techniques to develop understanding. While useful in shedding light on network structure, they do not provide a full understanding of network activity and patterns (Jack, 2010).

2.2.7.3 Network content[2]

The content of network relations has been relatively neglected. Indeed, O'Donnell et al. (2001) and Jack et al. (2008) cite a list of works that appeal for entrepreneurship researchers to pay more attention to the content dimension of networks. As discussed in section 2.2.2, in their critique of Granovetter (1985), Friedland and Alford (1991) contend that social networks *per se* do not have any content and without understanding this dimension it is impossible to explain

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[2] A summary of key articles on relational embeddedness/network tie content is at Appendix 2

what kinds of social relations have what kind of effect on the behaviour of organisations and individuals. Thus understanding this dimension is essential both for theoretical development and for managerial practice given that network creation and maintenance is a costly activity that needs to be managed effectively (Dacin et al., 1999). However, based on a review of the literature, Jack (2010) repeats the observations that, despite the growth in studies looking at organisational and entrepreneurial networks, our deeper appreciation of the nature of network ties and what actually goes on in and between connections remains limited. This is the case even though there is a recognition that network analysis necessitates consideration of both network structure *and* the nature of interaction between the actors (Granovetter, 1973; Rowley et al., 2000; O'Donnell et al., 2001; Rodan & Galunic, 2004; Jack, 2010).

Rodan and Galunic (2004) see network content as the characteristics of the ties and the qualitative nature of the relationships. Drawing on the work of Mitchell (1969), O'Donnell et al. (2001) suggest that network content can be understood as the meaning that people attach to the relationships and incorporates the individual's motivations and expectations of network participation. Mitchell (1969) identifies interactional criteria for networks, including directedness or reciprocity, durability, intensity (the degree to which individuals are prepared to honour obligations) and frequency. Larson and Starr's (1993) model for the evolution of networks in emerging entrepreneurial firms also incorporates the concepts of reciprocity, intensity of ties, frequency of interaction and tie duration, and the meaning attached to a relationship. Moran (2005) comments that key facets of relational embeddedness (or network content) include interpersonal trust and trustworthiness, overlapping identities, and feelings of closeness and interpersonal solidarity but laments that these have received little empirical attention.

Having investigated the structural aspects of small firm executives' networks, BarNir and Smith (2002) conclude that, rather than network scope, it may be the content, quality and nature of network relationships that are important in shaping inter-firm cooperation patterns, but they do not explore this suggestion any further. Similarly, at the end of their examination of the structural dimensions of Greek entrepreneurial networks, Dodd and Patra (2002: 132) note that a better understanding of the content of network exchanges is needed 'to offset the

overly structural approach adopted in this study'. In contrast, Rowley et al. (2000) claim to consider both the relational and structural dimensions of social embeddedness. However, their study essentially focuses on structural aspects of inter-firm network ties within the steel and semiconductor industries. Through a qualitative case study approach among IT firms, Lechner and Dowling (2003) consider the mix of network types evident at different stages of entrepreneurial firm growth. They identify particular characteristics of relationships, including the nature of the relationship, differentiating between contractual, trust-based or a mix of both. Lechner and Dowling (2003) understand these dimensions as constituting network content and on this basis identify five types of networks used by entrepreneurs in varying combinations during firm growth – social, reputation, co-opetition, marketing, and knowledge, technology and innovation networks. It is not clear, however, how Lechner and Dowling (2003) developed these five network types; further methodological detail is necessary. While some contribution is made to better understanding the nature of network ties, the study lacks depth in terms of shedding light on what is actually going on within the network interactions.

Uzzi and colleagues provide more in-depth consideration of the issue. Uzzi and Gillespie (2002) and Uzzi and Lancaster (2003) explore both network structure and content aspects of how relations between banks and small firms influence access to resources. They find that embedded ties promote expectations of trust and reciprocity that provide the safeguards and logic for resource transfers that are otherwise inhibited by arm's length connections. In earlier work Uzzi (1996, 1997) provides perhaps the most extensive and widely cited contributions in terms of how network content, as well as network structure, increases economic performance. He argues that the degree to which embeddedness facilitates economic action depends on the quality of inter-firm ties as well as network architecture (Uzzi, 1997). Uzzi distinguishes between embedded and arm's length ties, with the former being enduring exchange relations with a strong affective element. He argues that economic value is derived from embeddedness through three aspects of network content: trust, fine-grained information transfer, and joint problem-solving. These mechanisms are interrelated because it is trust that encourages individuals in different firms to share private and tacit information with each other and that imbues it with credibility (Krippner &

Alvarez, 2007; Uzzi, 1997). Trust is developed when extra effort is voluntarily given and reciprocated and it promotes access to privileged resources that help firms compete but would have been hard to access through arm's-length ties (Uzzi, 1997). It is fine-grained information exchange that enables close coordination and joint problem-solving (Krippner & Alvarez, 2007).

It is these mechanisms, provided by embedded ties, that enable action supportive of performance, including speeding products to market, and matching consumer demand to production (Uzzi, 1997). These result in outcomes not predicted by neoclassical economic explanations concerned with self-interest maximisation (Uzzi, 1996). As noted in the earlier discussion on the theoretical development of embeddedness theory, in this way Uzzi addresses the issue of how embeddedness affects economic action and makes a substantial contribution to the literature. Uzzi's work concentrates on three dimensions of network content - trust, fine-grained information transfer, and joint problem-solving – that he identifies as shaping economic exchange between firms within a particular industry. However, Uzzi does not explore the trust dimension of relational embeddedness in further detail through, for example, drawing on the trust literature to consider the types of trust operating or how these might develop. Furthermore, there remains a need for exploration of the wider range of relationships in which business owner-managers engage and the multiple aspects of what is going on within these network ties.

There have been few other studies within the entrepreneurship field building on Uzzi's consideration of network tie content. One of the only other substantive contributions is work by Hite (2003, 2005) which focuses on providing classifications to describe the characteristics of network ties in emerging entrepreneurial firms. Hite (2003) suggests that dyadic ties entail three components of social relationships: personal relationship, dyadic economic interaction, and social capital. Each of these components is an umbrella concept encompassing more specific subordinate attributes, as summarised in Table 2.2 (adapted from Hite, 2003, pages 24-31).

Table 2.2: Components of embedded network ties proposed by Hite (2003)

Overarching components of embedded network ties	Subordinate attributes
Personal relationship	Personal knowledge Affect Sociality
Dyadic economic interaction	Interaction extent Interaction effort Interaction ease Interaction quality
Social capital	Obligation Resource accessibility Brokering Structural embeddedness (extent to which a dyad's mutual contacts are connected to one another)

Hite (2003) concludes that different combinations of the overarching components may create different types of relational embeddedness and on this basis puts forward a typology (Figure 2.1) identifying seven types of relational embeddedness. Table 2.3 provides more explanation of the types of embeddedness.

Figure 2.1: Typology of relational embeddedness (Hite, 2003, p32)
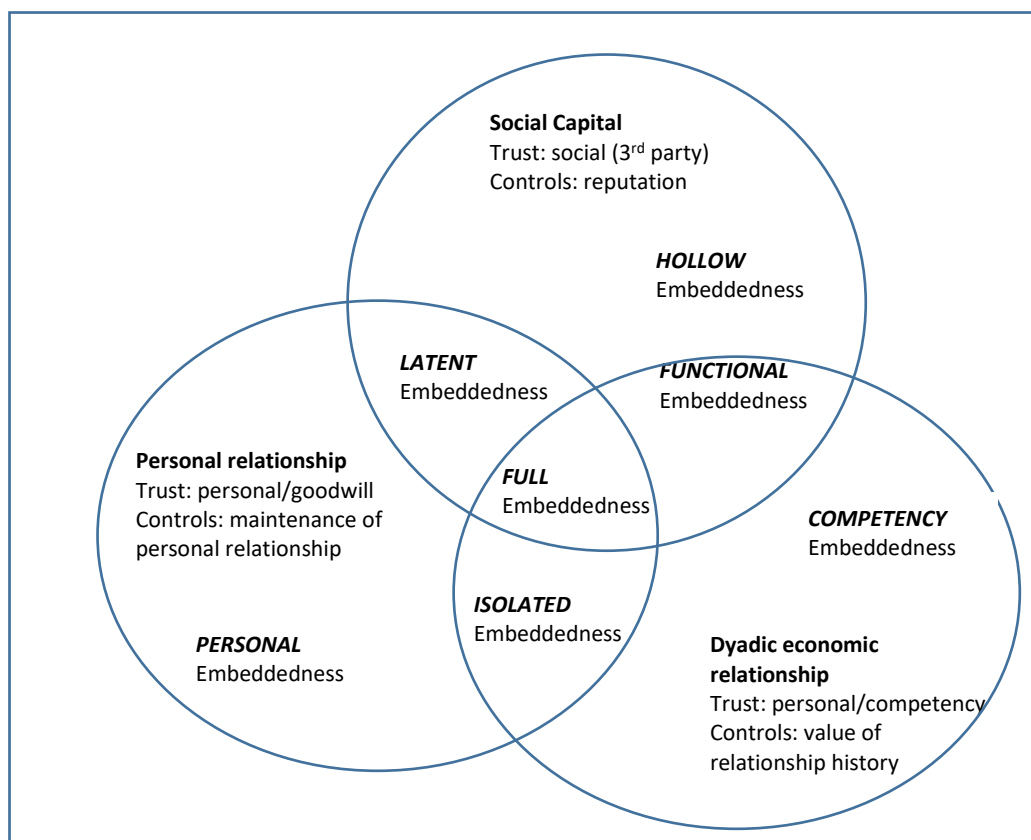
Table 2.3: Taxonomy of embedded network ties. Adapted from Hite, 2003, p34

Type of embeddedness	Description (combination of overarching components)	Detail
Unidimensional embeddedness		
Personal	High personal relationship	Personal embeddedness was built solely upon the personal knowledge, affect or sociality based on personal relationship
Competency	High dyadic economic interaction	Competency embeddedness was built upon a history of dyadic interaction
Hollow	High social capital	Hollow ties were built upon social capital alone
Bi-dimensional embeddedness		
Functional	High dyadic economic interaction High social capital Low personal relationship	Functional embeddedness was built upon dyadic economic interaction and social capital
Isolated	High personal relationship High dyadic economic interaction Low social capital	Isolated ties were not well connected to the rest of the dyadic partner's network
Latent	High personal relationship High social capital Low dyadic economic interaction	Characterised by low levels of dyadic economic interaction
Full embeddedness		
Full	High personal relationship High dyadic economic interaction High social capital	Fully embedded ties demonstrated high degrees of all three overarching components

Hite's (2003) work appears to be the only classification framework proposed for relational embeddedness within entrepreneurship research. The typology is helpful in going beyond the idea present in much of the literature that a network tie is either relationally embedded or not. Indeed, Uzzi (1996, 1997) has adhered to this conception in seeing relationally embedded ties as an essentially homogenous set of network relationships (Hite, 2003). Hite's work explores what variety exists within network ties and indicates the need to better understand the complexity of network tie content. However, Hite (2003) acknowledges that it is an initial typology and should be subjected to further empirical testing in different contexts. This is particularly important because it is based on case studies in eight young IT firms, all located within the same area in the Western United States. It seems that other researchers have not tested or critiqued Hite's (2003) typology and this, in itself, perhaps raises questions about its utility.

In a study of the networks of public school administrators in the US, Hite et al. (2005) suggest that tie content can be conceived of in terms of four types of resources that flow across network ties: exchange flows, communications flows, status flows and normative flows. This conceptualisation departs from Hite's previous studies and unfortunately is not considered in any more depth. The notion of tie content being characterised, at least to some extent, by what flows across it is, however, an interesting approach. It is a theme picked up by Jack et al. (2004) in their qualitative study to address what they identify as a failure in the literature to fully explore the nature and content of entrepreneurial network ties. Jack et al. (2004) find that strong ties were clustered around three 'nodal categories': family; previous business contacts; and customers, competitors and suppliers; and each of these fulfilled different purposes by providing different sorts of resources. Thus family ties served particular network functions in terms of initial business instigation, capital provision, hands-on support, and emotional support. Business ties were identified as providing business information and advice, idea validation, and introduction to and legitimation of new contacts. The customer, competitor and suppliers network node was found to provide market information and new product ideas. While small-scale the study sheds light on another way to understand what is going on within and between entrepreneurial network ties by thinking in terms of tie function and utility. The work by Jack and colleagues indicates the need for more studies to further unpack the complex dimensions of network tie content.

A researcher who has sought to do this is Chang (2011) who considers two dimensions of relational embeddedness within inter-firm ties in the Taiwanese computer manufacturing industry: relational closeness (the quantity and quality of personal contacts linking two organisations) and collaborative commitment (a firm's demonstrated willingness to support its partner in collaborative activities). He finds that companies establish close relationships to resolve uncertainty and they use commitment when they are in the power-disadvantaged position in a relationship. Commitment was found to be positively related to closeness with enhanced commitment leading to a closer relationship between firms. Chang (2011) contributes to our understanding of what makes up embedded inter-firm relations and the complex effects of embeddedness on organisational behaviour. However, only two dimensions of ties are explored and, therefore, as Chang

(2011) acknowledges, further analysis of the contents of embedded relations is required to understand their complexity.

This inevitably presents challenges given that, as Holmlund and Tornroos (1997) comment, many concepts such as trust and commitment are highly interrelated and relationships are inherently dynamic in nature. Chang's study is also in the cultural setting of Taiwan where *guanxi* traditions may have some influence on company network behaviour, and, as with Hite (2003), it is focused on a specific high-tech, fast-moving industry. Similarly, Chang investigates inter-firm relationships, particularly supplier relationships, and concentrates on the views of one side of the two partners, the manufacturers. Exploring network tie content in the very different setting of intergenerational succession in Northern Irish FBs, including collecting data from various actors involved in a range of relationships, extends research into network content.

In pursuing this topic the research builds on another study into relational embeddedness by Moran (2005). Based on his study of pharmaceutical company managers Moran emphasises that the quality as well as structural configuration of relationships is important. He considers relationship quality in terms of interpersonal closeness (extent of personal familiarity in a relationship) and relational trust, which he notes have been overlooked or assumed to be associated with a particular structural form by other researchers. While acknowledging that there are also other ways to conceptualise the content of interpersonal relations besides closeness and trust, Moran (2005) contends that relational closeness shapes the willingness of the parties in a tie to provide resources, particularly the transfer of tacit and complex knowledge. Like in Uzzi's (1996, 1997) work, trust is identified as an essential facet of relations to facilitate exchange in that it establishes some form of assurance that an individual can rely on the intentions of others from whom they are seeking information or resources. Such trust is generated through interactions with the other party (Granovetter, 1985; Uzzi, 1996, 1997; Moran, 2005). Moran (2005) finds that structural embeddedness plays a stronger role in explaining more routine execution-oriented tasks, whereas relational embeddedness (closeness and trust) plays a stronger role in explaining new innovation-oriented tasks. He suggests that this may be because innovation requires the exchange of complex and intangible information and mutual learning which involves risk, vagueness,

and uncertainty for those in the network tie and therefore necessitates deeper, stronger, high-trust relationships.

This aligns with Uzzi's (1996, 1997) notion of embedded ties being characterised by trust, fine-grained information transfer and joint problem solving. It is also supported by Hansen's (1999) study of product development projects undertaken in an electronics company where he found that while weak ties facilitate search, stronger ties involving richer patterns of relationships are more effective for actually transferring complex, tacit, and ambiguous information and ideas. Nahapiet and Ghoshal (1998) refer to work demonstrating that high trust relationships facilitate knowledge creation in contexts of high uncertainty and enhance individuals' willingness to take more risks. Moran (2005) concludes there is a need to broaden the focus to better understand the multifaceted nature of relational embeddedness which appears to be particularly relevant in uncertain and entrepreneurial settings. Uzzi (1996, 1997), Hite (2003), and Moran (2005) all make reference to tie strength and identify trust as important facets of relationally embedded ties. Therefore, the following sections consider the literature on tie strength and trust to provide an enriched understanding of the dimensions of network tie content.

2.2.8   Tie strength

The notion of tie strength features prominently in work on the nature of network ties (Dacin et al., 1999). Again, Granovetter (1973) has been influential with his article *The Strength of Weak Ties* being drawn upon heavily by researchers (Jack, 2005; Knox et al., 2006). He argued that people looking for jobs were better placed if they had a wide range of weak ties rather than a smaller number of strong ties because this increased the chances of getting relevant information about job opportunities. Granovetter (1973) considers network ties as being either strong or weak with strong ties involving frequent interaction and a close personal relationship, while weak ties are more distant emotionally and only activated occasionally (Anderson et al., 2005). Scholars have described strong ties as intense, emotion-laden, and reciprocal relationships with a high level of personal interaction and relational trust that require time and energy to create and maintain. These strong ties carry greater motivation to be of assistance, provide quick information flow, and are a reliable resource (Rowley et al., 2000; BarNir and Smith, 2002; Hite, 2003; Elfring and Hulsink, 2003). Weak ties are

described as entailing low personal interaction and reciprocity but provide advantages in terms of acting as bridges to disparate segments of the network which may open the door to new options and information (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2003; Anderson et al., 2005; Jack, 2005).

Thus Granovetter (1973) recommends constructing networks of both strong and, in particular, weak ties with the latter enabling access to diverse information. The thinking is that while information gained through strong ties will tend to be trustworthy, it may be of limited use since strong tie actors can be anticipated to move in similar, if not the same, social circles. Granovetter (1983) emphasises that only *bridging* weak ties are of special value; not all weak ties will act as bridges to other network segments. He contends that it is tie strength along with network structure that determines how networks shape behaviour and outcomes (Granovetter, 1973, 1985) with tie strength defined as:

> '…a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterise the tie' (Granovetter, 1973:1361).

However, as Jack (2005) notes, it has been the frequency of contact dimension that has most commonly been used as the measure of tie strength in entrepreneurship studies. This may well be because, as Mitchell (1969) observed over forty years ago, the frequency dimension is amenable to more simple quantification than the other interactional criteria for networks that he identified. For example, in their study of small firm network activity, BarNir and Smith (2002) measure the strength of ties by multiplying the number of years a respondent has known a given contact by the hours per week they spend discussing business with that contact. Similarly, Rowley et al. (2000) measure tie strength by the frequency of interaction between partners. They dismiss two of the other dimensions of tie strength identified by Granovetter (1973) – emotional intensity and intimacy – as not as applicable to the inter-firm horizontal alliances focused on in their study. However, such approaches neglect other important dimensions of tie strength. Lowik et al. (2012) measure the emotional intensity as well as the duration of the relationship and frequency of contact in an effort to provide an extended tie strength construct. However, emotional intensity is operationalised as a tie being either a business

acquaintance, a business friend, or a personal friend. There is no recognition of the potential complexity within these descriptors.

Granovetter's (1973) dichotomous strong and weak tie approach has been heavily utilised with tie strength seen as important in determining the type of resources accessed by entrepreneurs through networks (Hoang & Antoncic, 2003; Jack, 2005; Anderson et al., 2005). For example, Davidsson and Honig (2003) suggest that nascent firms might rely upon weak ties such as membership of a trade organisation in order to learn about technological innovations but would turn to strong ties such as immediate family members for free help with start-up activities. Uzzi's (1996, 1997) conception of embedded and arm's length ties broadly aligns with the strong/weak notion. Thus arm's length ties are impersonal and atomistic with actors motivated by instrumental profit seeking whereas embedded ties are rooted in social attachments generating a logic of trustful, cooperative behaviour (Uzzi & Lancaster, 2003). Uzzi sees most value deriving from embedded (strong) ties that facilitate trusted resource exchange and tacit and private knowledge transfer, although he does warn against the dangers of 'over-embeddedness' (Uzzi, 1996, 1997; Hoang & Antoncic, 2003; Uzzi & Lancaster, 2003). In their meta-analysis, Stam et al. (2014) adopt the strong/weak tie dichotomy and find that weak ties are positively related to small firm performance. Scarbrough et al.'s (2013) study of entrepreneurial deal-making points to the utility of both strong and weak ties at different stages. In a study of entrepreneurs in 32 start-up firms Elfring and Hulsink (2007) conclude that weak ties enhance an entrepreneur's capacity to spot opportunities, strong ties are needed to obtain resources, while it is usually a mix of weak and strong ties that is needed to gain legitimacy.

There is little conceptual clarity on what constitutes a strong or weak tie and, furthermore, different studies have produced contradictory findings with both strong and weak ties being advocated in terms of how firms should be embedded in networks (Rowley et al., 2000). The debate continues within the entrepreneurship literature (Hoang & Antoncic, 2003; Dodd & Anderson, 2007). However, there have been indications that there is a need to move away from a dichotomous conceptualisation. In particular, Jack (2005) challenges the relevance of the strong/weak tie paradigm in demonstrating the value and content of network ties for business activity. Her ethnographic study finds that

the strong tie argument based on frequency of contact has to be challenged because entrepreneurs had contacts within their networks which were latent but made manifest when necessary. The strength of ties was reflected in the type of information provided, the usefulness of the relationship to the entrepreneurial situation at a particular point in time, and the extent to which respondents were prepared to trust the information provided by ties. In short, when developing a relationship it is the function of a tie and how it can be utilised that is important, with bonds being strong enough to handle infrequent contact. Furthermore, in Jack's (2005) sample weak ties were actually reached and activated through strong ties and thus strong ties performed the bridging function.

In another qualitative study Jack et al. (2004) argue that a more nuanced understanding of strong ties is necessary. They find that enduring relationships based on trust and knowledge were particularly important to individuals but these were not necessarily predicated on frequent contact. Additionally, strong family-based ties were characterised by heterogeneity in terms of the resources they provided to the entrepreneurs, rather than the kind of homogenous information that is suggested in Granovetter's (1973) conceptualisation. The business and even the customer/competitor/supplier relationships detected were understood to exhibit a significant degree of intensity, suggesting that the strong/weak tie dichotomy inadequately recognises the complexity of ties in entrepreneurial settings. Thus Jack et al. (2004) suggest that strong-tie entrepreneurial networks be regarded as a continuum of different sorts of ties distinguishable by the nature and intensity of the relationship involved. Bagwell (2008) supports this argument in terms of the importance of strong ties for entrepreneurs in providing bridges to diverse resources and frequency of contact as inadequately capturing tie strength. In the case of the ethnic minority enterprises studied, Bagwell (2008) finds that the wider family grouping located in different countries were very important to the entrepreneurial start-ups in Britain in terms of accessing a wide range of information.

As discussed earlier, Hite (2003, 2005) also questions the dichotomous construct with her typology identifying seven types of relational embeddedness in an entrepreneurial firm context. She concludes that it is overly simplistic to consider ties as either relationally embedded or not and to see all relationally embedded (strong) ties as alike. Drawing on her earlier work and Hite's studies,

Jack (2010) argues that the nature of entrepreneurial and organisational ties varies in ways not reflected in the use of the two categories of strong or weak. Furthermore, frequency of contact and/or emotional intensity are inadequate as indicators, ignoring other dimensions of tie strength such as time spent in relationships, extent of mutual confiding and degree of reciprocity (Jack, 2010). Interestingly, in seeking to explain how small firms access new knowledge within strong ties Lowik et al. (2012) point to the notion of tie multiplexity – a characteristic that denotes the extent to which multiple types of relations can exist between network partners within a single relationship. Elfring and Hulsink (2007) note that the distinction between strong and weak ties is a crude measure lacking conceptual refinement. As discussed earlier, Chang (2011) similarly questions the homogeneous nature of strong or embedded ties and advocates disaggregating the elements that make up embedded relationships. He argues that ties must be conceived of as multi-dimensional and calls for further in-depth analysis of the contents of network ties to understand their complexity. Exploration of trust as a dimension of tie content can assist in this quest because, as Lewicki and Bunker (1996) comment, trust is a critical success element to most business and professional relationships.

2.2.9   Trust as a dimension of tie content[3]

Trust is a concept that has received attention in various social science literatures but there has been little effort to integrate the different perspectives (Lewicki & Bunker, 1996). As Rousseau et al. (1998) note, economists tend to view trust as either calculative or institutional, psychologists focus on cognitive aspects, and sociologists often find trust in socially embedded properties of interpersonal relationships. This fragmentation in the literature is hard to reconcile since it also reflects the context-dependent nature of trust and the diversity of settings in which it has been studied (Scarbrough et al., 2013). In recent years entrepreneurship scholars have begun to show an increasing interest in the role of trust (Welter, 2012). It has been identified as playing a role in overcoming liabilities of newness and uncertainty, enabling opportunity recognition, mobilising resources, reducing monitoring costs and overcoming information asymmetry between partners (Zahra et al., 2006; Welter, 2012; Scarbrough et al. 2013). Welter (2012) comments that trust is referred to incidentally in many

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[3] A summary of key articles on trust is at Appendix 3

entrepreneurial studies without attention being paid to its precise definition or nature. He argues for a perspective which accounts for the complexities and dimensions of trust. Exploring how to define trust is a first step in developing such a perspective.

2.2.9.1 Defining trust

There is no single accepted scholarly definition of trust (Rousseau et al., 1998; Welter & Smallbone, 2006). Many studies adopt the definition put forward by Mayer et al. (1995) that trust refers to an individual's willingness to be vulnerable to another party and the expectation that an exchange partner will not behave opportunistically even when such behaviour cannot be monitored or detected. McAllister (1995) defines interpersonal trust as the extent to which a person is confident in, and willing to act on the basis of, the words, actions, and decisions of another. Saunders et al. (2014:640) contend that there is now some level of agreement of a definition with scholars such as Mayer et al. (1995), Lewicki et al. (1998) and Rousseau et al. (1998) using similar terms to depict trust as,

> '…occurring under conditions of risk that require the trusting party (the 'trustor') to develop favourable expectations of the intentions and behaviour of the other party ('trustee'), sufficient to prompt a willingness to become vulnerable to the trustee's future conduct.'

Mayer et al. (1995) argue that trust will be a function of the trustee's perceived ability, benevolence and integrity and of the trustor's propensity to trust. These dimensions of ability, benevolence and integrity as antecedents of trust have been adopted by many researchers (Lyon et al., 2015). Trust is considered to operate at different levels, with interpersonal trust where the level of analysis is a pair of individual actors seen as distinct from inter-organisational trust where the level of analysis captures an aggregate entity (Rousseau et al., 1998; Zaheer et al., 1998; Poppo, 2013).

2.2.9.2 Types of trust and trust development

Various models of trust development have been proposed and these suggest that there are multiple forms of trust in business and professional relationships (Lewicki & Bunker, 1996). Zucker (1986) proposes three central modes of trust production: process-based, where trust is tied to past or expected exchange; characteristic-based, where trust is tied to person, depending on characteristics

such as family background or ethnicity; and institutionally-based, where trust is tied to broad societal institutions (see Table 2.4). This notion of institutionally-based trust is similar to what Kramer (1999) describes as 'rule-based trust' which is predicated not on a conscious calculation of consequences, but rather on shared understandings regarding the system of rules regarding appropriate behaviour. Bennett and Robson (1999) contend that the regulatory regimes of suppliers of advice to SMEs generate different environments of trust, with accountants and solicitors benefitting from particularly high levels of institutional trust based on the professional and self-regulatory controls by which they are governed. Institutional-based trust allows for the use of 'anonymous' sources in business relationships such as consultants or new partners because there are legal safeguards and sanctions in case the relationship fails (Welter & Smallbone, 2006). Dietz et al. (2010) identify institutions and regulations as a presumptive base of trust in that explicit and implicit rules, norms and routines define what is and is not acceptable behaviour. They also point to membership of a social or organisational category and role expectations as other presumptive bases of trust. In the latter individuals have an expectation that others will behave in accordance with the obligations, responsibilities and system of expertise attached to their role. In line with influential models of trust development, Dietz et al. (2010) argue that over time through repeated cycles of successful exchange and expectation fulfilment information from within the relationship typically becomes a more valid basis of trust than presumptive and external sources of evidence.

Shapiro et al. (1992) proposed a model which delineated bases of deterrence-, knowledge-, and identification-based trust (see Table 2.4). Lewicki and Bunker (1996) extended their work by broadening the definitions and causal dynamics of each base and arguing for a stage-wise linkage of the bases over time (Lewicki et al., 2006). This influential model of trust development is centred around three types of trust: calculus-, knowledge-, and identification-based trust. Calculus-based trust (CBT) is built on the fear of the consequences of breaching the trust and/or the rewards associated with preserving the trust (Sundaramurthy, 2008). Knowledge-based trust (KBT) is grounded in knowing the other party sufficiently well based on the history of interactions so that the other's behaviour is anticipatable (Lewicki & Bunker, 1996) and thus is comparable to

process-based trust in Zucker's (1986) conceptualisation. Identification-based trust (IBT) is grounded in increasing identification with the other and where strong affect develops between the parties (Lewicki et al., 2006). It is based on a mutual understanding between parties so that they identify with the other's desires, intentions and values and thus they can effectively act for each other. In this situation an individual can be confident that his/her interests will be protected and no monitoring is necessary (Lewicki & Bunker, 1996).

Rousseau et al. (1998) provide another model, differentiating between calculus- and relational-based trust. Their notion of relational trust is grounded in social interactions and is more about reciprocated interpersonal care and concern and thus appears to combine aspects of both KBT and IBT as outlined by Lewicki and Bunker (1996). The emotional aspect of this type of relational trust aligns with McAllister's (1995) notion of affective trust which he distinguishes from cognitive-based trust. Cognitive trust is when a person decides to trust someone based upon the knowledge he/she has about that person and evidence of their trustworthiness. Affective trust develops when individuals emotionally invest in relationships generating genuine concern and care for partners and believe that these sentiments will be reciprocated (McAllister, 1995; Poppo, 2013). McAllister (1995) notes that some level of cognition-based trust may be necessary for affect-based trust to develop. Rousseau et al. (1998) draw on McAllister's conceptualisation to argue that through repeated cycles of successful exchange an arm's-length cognition-based transactional relationship can develop into a deeper relationship characterised by affect-based trust and the exchange of a broader array of resources and mutual loyalty. Kramer (1999) stresses the need for the affective dimension in understanding trust, arguing that conceptions of trust grounded purely in presumptions about the rationality of choice are too narrowly cognitive, underplaying the role of emotional and social influence on trust decisions. A summary of key conceptual models is provided in Table 2.4. This extends the comparative table presented by Lewicki et al. (2006: 1007).

Table 2.4: Summary of trust models

Zucker (1986)	Shapiro, Sheppard & Cheraskin (1992)	McAllister (1995)	Lewicki & Bunker (1996)	Rousseau, Sitkin, Burt & Camerer (1998)
Process-based: trust tied to past or expected exchange Characteristic-based: trust tied to person depending on characteristics Institutionally-based: trust tied to broad societal institutions	Deterrence-based: potential costs of discontinuing the relationship or likelihood of retributive action outweigh short-term advantage of acting in a distrustful way Knowledge-based: knowing the other so as to be able to predict his or her behaviour Identification-based: fully internalising the other's preferences; making decisions in each other's interest	Cognition-based: trust grounded in individual beliefs about peer reliability and dependability Affect-based: trust grounded in reciprocated interpersonal care and concern; emotional bonds between individuals	Calculus-based: a calculation of the outcomes resulting from creating and sustaining a relationship relative to the costs of maintaining or severing it Knowledge-based: knowing the other sufficiently well so that the other's behaviour is predictable Identification-based trust: identification with the other's desires and intentions; mutual understanding so that one can act for the other	Calculus-based: Derives not only from the existence of deterrence but because of credible information regarding the intentions or competence of another. Relational: Derives from repeated interactions over time. Information available to the trustor from within the relationship itself forms basis. Reliability and dependability give rise to positive expectations of the other; emotion enters into the relationship.

The process-based and knowledge-based trust identified by Zucker (1986) and Lewicki and Bunker (1996) respectively can be understood to align with Granovetter's (1985:490) emphasis on personal experience as the basis for trust in relationships:

> 'Better than the statement that someone is known to be reliable is information from a trusted informant that he has dealt with that individual and found him so. Even better is information from one's own past dealings with that person'.

Scholars generally recognise that trust is dynamic and trust development is an ongoing process influenced by reciprocation and the outcome of trusting behaviour (Rousseau et al., 1998; Dietz et al., 2010). Rousseau et al. (1998) talk about the 'bandwidth' of trust varying within relationships over time, with trust developing, declining, and potentially resurfacing. In Lewicki and Bunker's

(1996) model (Figure 2.2) trust is presented as a phenomenon that can evolve in a 'stagewise' manner over the course of a maturing relationship. They suggest that professional relationships start out as based on CBT but can move on to a KBT foundation if the validity of the trust is confirmed from repeated interactions. In turn the relationship may develop on to an IBT foundation which occurs when the parties learn even more about each other and begin to identify with each other's needs and priorities (Lewicki & Bunker, 1996; Sundaramurthy, 2008). However, some relationships may not move past a CBT if, for example, the relationship does not necessitate anything more than a transactional connection, the parties have gained enough information about each other to conclude that further information gathering is unnecessary or likely to be unproductive, or a violation of CBT has occurred (Lewicki & Bunker, 1996). Many business relationships remain productively at the KBT stage (Lewicki & Bunker, 1996).

Figure 2.2: Lewicki & Bunker 'stage-wise' trust model
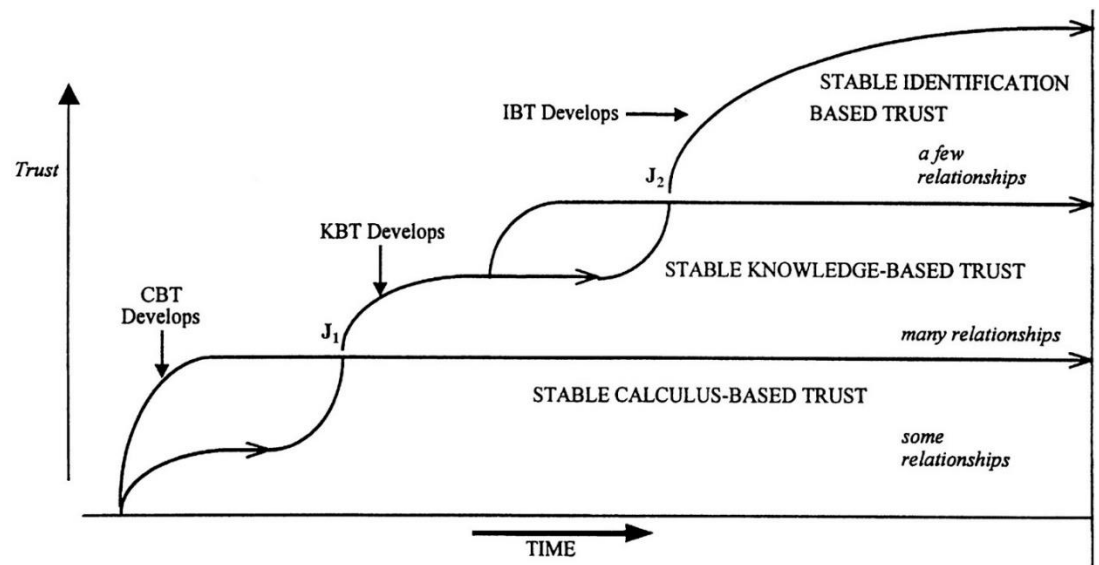
J_1 At this point, some calculus-based trust relationships become knowledge-based trust relationships
J_2 At this juncture, a few knowledge-based trust relationships where positive affect is present go on to become identification-based relationships

(Lewicki & Bunker, 1996:124)

The conceptual nature of the Lewicki and Bunker (1996) model has been emphasised by some scholars who note that in practice distinctions between stages are often ambiguous and hard to measure and that trust does not necessarily accumulate in an aligned step-by-step sequence (Shi et al., 2015).

Lewicki et al. (2006) observe that there is a need for further empirical research on the dynamic nature of the growth and decline of trust over time within interpersonal relationships.

2.2.9.3 *Trust as a dimension of network ties*

The different types of trust appear in some of the entrepreneurial networking literature. It has been argued that entrepreneurial network ties have to be trust-based to some extent to be successful (Welter, 2012). This reflects in part the broader notion that economic action is embedded within networks of social relations (Granovetter, 1985) and trust is an important factor in enabling the kind of collaborative working required in such socially complex systems (McAllister, 1995). Bennett and Robson (1999) argue that in British SMEs the levels of use and impact of different sources of external advice depend on the extent to which particular trust-producing mechanisms exist. They find that the existence of personal trust is a strong force behind the use of business friends and relatives as a source of advice. Welter (2012) contends that the role of trust changes as entrepreneurs move from simple transactions to more complex relationships as they develop their businesses. Looking at trust in the deal-making process Scarbrough et al. (2013) conclude that Zucker's (1986) model aligns with their findings. They demonstrate that forms of trust were differentially distributed across phases of the deal-making process with institutional-based trust being more important in the early stages, with process-based trust becoming more important in the later phase focused on collaboration. Some scholars contend that in business-related networks CBT ties are supplemented by affect based relations (Jack et al., 2008). Others such as Smith and Lohrke (2008) suggest affect based trust is more prevalent at the early stage when an entrepreneur explores the possibility of starting a new venture with their small circle of strong ties such as family and friends. Then cognitive-based trust becomes more important as his/her network is expanded to include a greater number of weak ties and thus knowledge of parties' competencies forms the basis for trust judgements.

In her study of network tie characteristics in emerging entrepreneurial firms Hite (2003) also refers to trust (see section 2.2.7.3). She states that the relationally embedded ties demonstrated three types of trust: goodwill trust, personal competency trust, and social trust, however, does not discuss this aspect in any

depth. Jack et al. (2004) identify trust as an important facet of strong ties in an entrepreneurial setting but do not consider this dimension in detail. Research by Uzzi (1996, 1997) was discussed earlier and he too identifies trust as an important aspect of relationally embedded entrepreneurial ties. He notes that respondents expressed trust as the belief that an exchange partner would not act in self-interest at another's expense and trust developed when extra effort was voluntarily given and reciprocated. This governance through trust resulted in access to resources that enhance competitiveness but are difficult to exchange in arm's length ties (Uzzi, 1997). Uzzi does not, however, explore the notion of trust as a dimension of relational embeddedness in further detail through, for example, drawing on the trust literature to consider the types of trust operating or how these might change over time.

One other facet of trust touched on by Uzzi (1997) is the role that third parties play in the development of trust. He finds that embedded ties primarily develop out of third-party referral networks and previous personal relations. Third parties act as important 'go-betweens' in new relationships, enabling individuals to 'roll over' their expectations from well-established relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust and subsequent commitments to be offered and discharged (Uzzi, 1997; Kramer, 1999). However, Uzzi does not delve into the trust literature to explore this notion further. Jonsson (2015) finds parallels with Uzzi's work in her study of Swedish fashion industry start-ups in that relationships that develop into embedded relationships are commonly a result of brokering through third-party referrals because such relationships set expectations of trust between newly introduced actors and equip the new relationships with resources from pre-existing ties. She suggests that relational trust develops quickly in such relationships. This information from third parties is one of the presumptive bases of trust identified by Dietz et al. (2010) as facilitating the placing of trust in individuals without prior direct knowledge. Ferrin et al. (2006) explore this third party-related dimension to address the paucity of research on the social nature of trust development beyond the dynamics within dyads. Looking at relationships between individuals within an organisation they find in their quantitative study that interpersonal trust is significantly influenced by third party relations. A key way this occurred was

through 'trust transferability': in forming a trust belief employees may take into account the judgement of third parties whom he/she trusts. Ferrin et al. (2006) call for more research into how third party relationships feature in trust development. More broadly, further work is needed on the factors that build trust in different contexts because context is critical to understanding trust (Rousseau et al., 1998; Welter, 2012).

2.2.9.4 Trust and the FB context

One of the contexts where the role of trust in relational embeddedness requires further consideration is in FBs. FBs often exist for more than purely economic considerations, making trust very important, and FB governance is often based on a high level of mutual trust (Steier, 2001b; Sundaramurthy, 2008; Eddleston et al., 2010). Long-term and strong family bonds are often characterised as being grounded in trust and are believed to breed trust and facilitate the transfer of tacit knowledge between family members (Steier, 2001b; Eddleston et al., 2010). Many authors follow the example of Hadjielias and Poutziouris (2015), starting from an assumption that trust is an inherent characteristic of the FB and that it engenders positive features such as altruism and stewardship. However, trust can also be a negative for FBs, resulting in complacency, blinkered strategies, opportunism, and intra-family tensions (Sundaramurthy, 2008; Eddleston & Morgan, 2014; Cater & Kidwell, 2014). There appears to be limited recognition that FBs may be the locus for a damaging lack of trust and/or that family members may trust non-family employees or other stakeholders more than other family members.

The interplay between family and business can produce different types, levels, and outcomes of trust across different decision situations and different stages of firm and family development (Eddleston et al., 2010). Thus the concept of trust is helpful in seeking to explain some of the characteristics of FBs, as well as how they differ from non-family businesses (Eddleston et al., 2010). Looking at the different sources of trust and the factors needed to build trust can help illuminate the particular dynamics of FBs and more research is needed in this area (Steier, 2001b). Sundaramurthy (2008) contends that rather than an evolution from calculative-based through knowledge- or competence-based and then interpersonal- or identification-based trust that might be the case in a non-family firm setting, in a FB the trajectory starts from a basis of deep

interpersonal trust between family members grounded in kinship, common values, shared history, and extended periods of interaction. Drawing on the trust literature, especially Lewicki and Bunker's (1996) work, he proposes a 'sustaining cycle of trust' model for FBs which must be maintained through communication. He argues that development of competence-based trust grounded in the belief that family members are capable of performing their roles effectively is important and developing structures and processes that enable the family to draw from the outside is central to developing this competence-based trust. Sundaramurthy (2008) suggests that involvement of outsiders on the board and family members gaining experience outside the FB are two means to achieve this. Sundaramurthy's (2008) work is in line with earlier case study research by Steier (2001b) on the development of trust in the FB context. Steier argues that the type of trust indigenous in most family relationships allows FBs to reduce transaction costs substantially and thus represents an important source of strategic advantage. However, he cautions that this once resilient source of trust can be fragile and diminish, particularly in inter-generational successions, necessitating family members to reinvest in trust-building activities over time.

Eddleston and Morgan (2014) comment that the distinct nature, dynamics, processes, antecedents and consequences of trust, commitment and relationships in FB remain underexplored and are a fertile area for research. This includes exploration into the nature and role of trust in how individual family members understand and use external network ties, including in relation to managing intergenerational succession. This may involve issues about the dark side of trust where trust dynamics can facilitate negative dynamics and outcomes, a subject receiving increasing research focus (Altinay et al., 2014; Skinner et al., 2014). For example, how might trust-based judgements shape FB succession through reluctance to engage with outsiders on the process, and/or the sacrificing of objectivity in analysis of options in favour of well-known internal sources and intuition? Are particular types of trust important factors in influencing the role of relationally embedded ties in the succession process? To address such questions challenges around operationalising the concept of trust have to be considered.

2.2.9.5 Operationalising the concept of trust

As Scarbrough et al. (2013) note, trust is a difficult concept to operationalise in empirical work. This is partly because of the variety of theoretical perspectives but also because it is a largely tacit phenomenon that occurs in different ways dependent on context (Kramer, 1999; Scarbrough et al., 2013). Thus scholars have taken various approaches. For example, Uzzi (1997) focuses on participants' explicit references to trust. However, Scarbrough et al. (2013) question this approach suggesting that such references tend to be associated only with strong ties thereby neglecting other types of trust perhaps present in more arm's-length ties. Therefore, they did not encourage participants to discuss the concept of trust directly but rather tried to observe trust through participants' explanations of the factors leading to their decisions to proceed (or not) with a deal. This approach reflects Lyon et al.'s (2015) observation that some trust researchers have been conscious of social desirability effects and try to study the topic indirectly or, at least, avoid using the word 'trust' until the subjects bring it up themselves. Moran (2005) takes a more positivist approach, operationalising the concept of trust through asking respondents for assessments of the integrity of the network contact, their competence, and the extent they shared their values and goals (predictability). These three items (integrity, competence and predictability) were used to develop a single factor of relational trust which was measured on a scale of 1-5 (strongly disagree to strongly agree). Moran (2005) notes that this measure emphasises the cognitive as opposed to the affective basis for trust.

The various approaches will inevitably reflect scholars' ontological and epistemological positions. If one considers trust to be very much a socially constructed phenomenon (Welter & Smallbone, 2006) it makes its precise measurement problematic. In line with the interpretivist approach taken in this study the focus was on exploring interviewees' subjective understandings of relationships. Therefore, rather than asking interviewees to discuss the concept of trust directly, the focus was on identifying where trust emerged as part of interviewees' narratives of their participation in cross-boundary relationships connected to FBS.

2.3 Conclusion

This chapter has provided a review of the literature on FBS and the theoretical perspective of embeddedness. The review first considered the body of research on succession, including the definitional debates, the importance of succession to family firms, and the key themes in existing research on the process. The limited consideration of external relationships in the context of FBS and the potential scope of such relationships were identified. A detailed examination of the literature on embeddedness, the conceptual frame used to explore the influence of external relationships on FBS, was provided. Granovetter's (1985) concept of embeddedness was explored, including its shortcomings and alternative conceptions. The dominance of structural embeddedness in the entrepreneurship research agenda and the need for a better understanding of relational embeddedness were identified. Literature on networks as operationalising embeddedness was considered. The review then outlined the neglect of network tie content, along with the need to challenge the dichotomous strong/weak tie construct. Literature on trust was drawn upon to explore the potential role of this concept in better understanding relational embeddedness, particularly in the context of the FB. Table 2.5 provides a summary of the key concepts and research gaps identified in this chapter. Building on this review of the literature, the next chapter sets out the study methodology.

Table 2.5: Summary of key concepts and research gaps

Definitions used in this study

Family business (FB)

Conceptual definition: 'The FB 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' (Chua et al., 1999, p25).

To operationalise the concepts incorporated in Chua et al.'s (1999) definition in this study a business is considered a FB if:

- a majority of the shares are owned by members of a family group related by blood or marriage;
- the CEO or MD is drawn from the family or a significant proportion of the management team are drawn from the family;
- the CEO/MD regards the company as a family company; and
- the company has experienced an intergenerational ownership and/or management transition to a second or later generation of family members drawn from the family group or the future successor as CEO is expected to be a member of the family

(Cromie et al., 1995; Westhead & Cowling, 1999; Chrisman et al., 2002).

Successful family business succession (FBS)

This study defines FBS as the transfer of managerial leadership (which may or may not include transfer of ownership) to another generation of the family. The criteria for inclusion in the study sample is that the business continues to operate under the new generation's leadership.

Relational embeddedness

The definition of relational embeddedness used is that deployed by Rowley et al. (2000) who view it as concerned with the characteristics of relationships – the content of social network ties and/or what is going on within relationships.

Network

This study adopts Bagwell's (2008) definition of a network as comprising the relationships between the firm or the individual and the myriad links with organisations and other individuals in the wider environment.

Trust

This study takes its definition of trust from the work of Saunders et al. (2014:640) which draws on the work of scholars such as Mayer et al. (1995), Lewicki et al. (1998) and Rousseau et al. (1998) to depict trust as, "…occurring under conditions of risk that require the trusting party (the 'trustor') to develop favourable expectations of the intentions and behaviour of the other party ('trustee'), sufficient to prompt a willingness to become vulnerable to the trustee's future conduct."

Research gaps
The role that relationships and interactions with individuals and organisations outside the FB and the family can have in shaping the patterns and experiences of intergenerational succession. This includes the role of FB advisors, a topic which has only recently started to receive scholarly attention. There is a need to examine whether all the key aspects of the succession process lie within the boundaries of the FB and the family. The conceptual frame of embeddedness offers a new perspective from which to understand FBS and brings a theoretical dimension to the issue in contrast to many of the existing studies on intergenerational succession which are empirical in nature. The study contributes to the further development of embeddedness theory by: - focusing on relational embeddedness, thereby considering a facet of the embeddedness concept which has received relatively little research attention in comparison to structural embeddedness.   - developing understanding of the complex characteristics and multidimensional content of network ties, and how individuals understand and use the ties within the FBS context.   - challenging the applicability of the dichotomous conceptualisation of strong/weak ties (Granovetter, 1973) in conveying tie content and value within the entrepreneurship and FB context.   - drawing on trust literature to explore the value of this concept as a dimension of network tie content.

Chapter 3

3   METHODOLOGY

Building on the introductory chapter and literature review this chapter sets out the methodology for the study. Each element of the methodology is discussed, beginning with philosophical assumptions and the rationale for adopting an inductive and qualitative approach. The case study research design and data collection methods are considered, as well as issues relating to recording, transcription, and ethics. The chapter concludes with discussion on the data analysis, steps taken to ensure the research meets the quality criteria relevant to qualitative research, and articulation of the methodological limitations.

3.1   Philosophical assumptions

A discussion on ontology and epistemology is followed by consideration of how values may influence the research and the need for reflexivity.

3.1.1   Ontology and Epistemology

My position tends towards a subjectivist position on the ontological continuum (Saunders et al., 2012). However, I do not subscribe to a more extreme form of constructionism with the notion that social reality has no real status independent from the acts of knowing and perceiving (Gill & Johnson, 2010). In line with Miles et al. (2014) I consider that social phenomena exist not only in the mind but also in the world and that we need to recognise the importance of the subjectivity and meaning-making that shapes social life. The focus in this study was therefore on seeking to understand the different constructions, experiences and attachment of meanings by individuals (Easterby-Smith et al., 2008).

Consistent with a subjectivist ontology, I adhere to an interpretivist epistemological framework. Rather than a positivistic approach seeing relationships as determined by individuals' responses to external stimuli and focused on measuring network structure, my interest was in better understanding the complexity of what goes on in relationships through exploring the meanings and interpretations of those involved. I recognise that my interpretation of the participants' meanings may have been shaped by my own background and experiences (Creswell, 2009). I see the positivistic belief in unbiased and

objective observation as untenable, instead favouring a position which regards what we see, at least in part, as an outcome of how we engage with the world and our conceptual orientations (Gill & Johnson, 2010). This required reflexivity (Cassell, 2005), which is discussed in section 3.1.3.

The interpretivist approach differs from the positivistic tradition underpinning much of management scholarship, including many of the studies on FBS and entrepreneurial networks (De Massis & Kotlar, 2014). Thus the study responds to calls by scholars such as Nordqvist et al. (2008) for more interpretivist research to develop more in-depth understandings of the complex and tacit dimensions that are central to the experience of FBs. They note that phenomena such as social relations, values, norms, emotions and meanings are often assumed to be particularly important in FBs, but are still seldom subject to adequate scholarly inquiry (Nordqvist et al., 2008).

My interpretivist position was reflected in the approach to interviewing. The neo-positivist perspective of the interviewer in a neutral role, minimising bias through 'good' technique, and gathering data from accurate and reliable participants to reveal an objective social reality (Roulston, 2010) is considered untenable. I consider that the interview has to be understood as an interaction, involving some co-construction between interviewer and interviewee in a particular context (Roulston, 2010). However, I do not share the more extreme position that interview data represent purely situated accountings on a specific topic and do not provide a means of gaining an insight into the interviewees (Alvesson, 2003; Roulston, 2010; Alvesson & Ashcraft, 2012). My approach was to see interviews as interactional contexts that can provide access to the meanings people attribute to their experiences and social worlds (Miller & Glassner, 2004).

In practice it proved challenging to ensure interviewing and data analysis adhered to this theoretical position. I sought to avoid slipping into thinking that the interview data simply revealed 'reality' and to appreciate the potential richness of meaning in the material (Alvesson, 2003). This meant looking closely at how questions or promptings might have elicited particular responses. It also involved critiquing the data and thinking about why an interviewee may

have given a certain response. This was an ongoing process which I sought to reflect occasionally in writing up the case study analysis.

3.1.2 Axiology

Consistent with my ontological and epistemological position, I believe values have a role in shaping the approach to research (Saunders et al., 2012). I consider FB to be a worthwhile activity which makes major contributions to our society and economy. Having been brought up in a FB context I also identify with the desire felt by many business owners to pass the business on to the next generation or to utilise FB interests to help support the next generation in their aspirations. However, while I believe that research cannot be value-free, I did not want my values to influence the research in an untrammelled manner. My emphasis was on being aware of my axiological assumptions as well as my prior experience throughout the research process (Bryman & Bell, 2011).

3.1.3 Reflexivity

Engaging in the process of reflexivity involves what Finlay (2002) terms 'muddy ambiguity'. My emphasis was on introspection pertinent to shaping the research process rather than unduly privileging the researcher's position (Finlay, 2002). In undertaking and analysing the interviews I was cognisant of the influence that factors such as how the person was recruited for the interview, the framing of the interview, and my background, may have had on how the interaction developed (Rapley, 2004; Potter & Hepburn, 2005; Haynes, 2012). Thus, for example, I considered how the businesses and/or families were known to me beforehand and hence whether I believed I had any bias which would encourage me to present them in an inaccurate manner.

It is helpful at this juncture to reflect on my motivations, principles and assumptions. As outlined in section 1.1.7, I was brought up in a FB context, continue to be involved in aspects of our FB portfolio, and identify with a determined family firm work ethic. I believe this understanding of the context enhances my understanding and awareness of at least some of the challenges and issues encountered by FBs, including those related to succession. It also assisted me to develop a rapport with the interviewees. At the same time, having spent part of my career in the Civil Service and undertaken postgraduate study, I believe these experiences gave me a broader frame of reference in which to

examine FBS. Finally, as the eldest daughter in the family I have an enhanced awareness of the issues relating to gender in the FB context.

3.2   Research approach

Reflexivity is characteristic of an interpretivist perspective, as is an inductive approach to collecting data and developing patterns of meaning and theory. This section outlines the inductive and qualitative approach adopted.

3.2.1   Inductive approach

The interactional and contextualised characteristics of succession and network dynamics and the exploratory nature of this study were incompatible with a typical deductive approach with a highly structured methodology to test a theory (Creswell, 2009; Saunders et al., 2012). Given the limited existing research on network tie content in the entrepreneurial and FB setting, the study constitutes what Edmondson and McManus (2007) term as nascent theory research. In this situation they see an inductive approach as appropriate because researchers do not know what issues may emerge. This was the case in Strike's (2013) study of FB 'most trusted advisers' in which she explicitly adopted an inductive approach because the topic had been little researched. Rather than a deductive approach focused on identifying cause-effect links between variables (Saunders et al., 2012), a primarily inductive approach also better accommodated an interpretivist position focused on understanding individuals' subjective perceptions and experiences. However, the inductive process entailed an element of deduction in that the theoretical concept of relational embeddedness was identified as a concept to be explored and provided a prior conceptual structure as a starting point for design and observations (Creswell, 2009; Saunders et al., 2012).

3.2.2   Qualitative approach

An inductive strategy is typically associated with a qualitative research approach (Bryman & Bell, 2011). A qualitative approach was appropriate because it offered a better insight into the complex social processes involved in network interactions than quantitative data (Eisenhardt & Graebner, 2007; Pratt, 2009). In explicating the difficulties in doing a quantitative study on FBS, Morris et al. (1996: 72) note that:

> '…succession processes evolve over potentially long periods of time, their dynamics can be quite complex, information regarding family

relationships can be highly sensitive…and representative samples of firms experiencing successions are not easy to locate.'

My interest was in understanding these phenomena from the perspective of the participants (Pratt, 2009) and, as Bluhm et al. (2011) argue, qualitative research is critical for gaining an understanding both of what individuals experience and how they interpret their experiences. The fact that the phenomenon of interest had been little researched also indicated the appropriateness of the approach (Edmondson & McManus, 2007; Bryman & Bell, 2011; Miles et al., 2014).

While appreciative of the challenges involved, Jack (2010:128) emphasises the need for more qualitative studies to provide richer explanations of what really goes on in network relations:

'Studies adopting qualitative techniques may indeed be more suitable for particular types of network research. For example, exploring network development, processes and motivations; looking to explain types of relationships and contact; revealing the interplay between business and social dimensions of ties and networks; and when trying to appreciate the relevance of context and how people interact with those in their environment'.

Other scholars agree that more interpretative and qualitative approaches will enable enhanced in-depth understanding and further development of network and embeddedness theory (Oinas, 1999; Chell & Baines, 2000; O'Donnell et al., 2001; Johannisson et al., 2002; Hoang & Antoncic, 2003; Lechner & Dowling, 2003; Anderson et al., 2005). In terms of the trust dimension of network ties, Lewicki et al. (2006) and Lyon et al. (2015) argue that qualitative methods are particularly suited to studying trust as process and the dynamic development of trust. In the FB field there is also a call for scholars to adopt a wider range of theoretical tools and interpretative approaches to study FBS (Dalpiaz et al., 2014).

The qualitative approach enabled accessing multiple perspectives on network tie content through, where possible, seeking views from both actors involved in dyadic ties. At least in the entrepreneurship field, most studies have considered only the views of the entrepreneur or focal actor in network analysis but this may mask differing perceptions among actors regarding tie content and contribution. Hite (2003) recognises that incorporating the dyadic partners' perspectives on the nature of the relationally-embedded tie would enhance

understanding of the variation among ties. Su and Dou (2013) similarly recognise in their study of business advisor interactions with FBs that interviewing only the advisors is a limitation in that additional interviews with family members would potentially yield different perspectives. My study explores the potential varying perceptions between actors as a means of better understanding network tie content.

3.2.3 Time horizon

The study was essentially cross-sectional, considering the content of network relations and the influence on FBS through data collection on several cases over a relatively short period of time (Bryman & Bell, 2011; Collis & Hussey, 2014). A longitudinal study would arguably have provided an enhanced insight into the interactional processes involved in FBS, however, this would have presented significant practical challenges. Some of the interactions influencing the succession patterns occurred long before the succession process was embarked on in a concerted fashion. Furthermore, the succession processes were multi-stage processes over a period of years (Cabrera-Suarez et al., 2001; Lambrecht, 2005; Filser et al., 2013). Based on a five-year longitudinal multiple case study analysis, Murray (2002, 2003) argues that a realistic time-scale of generational succession is between three and seven years. Morris et al. (1996) also emphasise that succession must be understood as the dynamics leading up to and following the actual transfer of ownership and/or management. Dyck et al.'s (2002) real-time study of a failed succession in a FB took place over a 30 month period. These sorts of timeframes were unfeasible within the full-time PhD timescale.

3.3 Case study research design

The following section sets out the rationale for adopting a case study research design and explains why multiple cases were explored and how cases were selected.

3.3.1 Definition and rationale

As Buchanan (2012) notes, what constitutes a case study is a matter of some debate. Yin (2014: 16) defines the case study as an empirical inquiry that,

'investigates a contemporary phenomenon (the "case") in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident'.

A case may be, for example, an organisation, an individual, a group, a process, an event (Gill & Johnson, 2010; Buchanan, 2012) or involve multiple levels of analysis and historical accounts (Eisenhardt & Graebner, 2007).

The case study design was appropriate given my desire to understand the complexities involved in the relational dimensions of FBS in depth and the expectation that the behaviours involved are partially shaped by contextual conditions (Silverman, 2011; Yin, 2014). The approach was conducive to understanding the social interactional dimensions of succession through the perceptions and meanings of multiple actors (Fitzgerald & Dopson, 2009) and allowed for unanticipated themes to emerge in exploring an under-researched area (Eisenhardt, 1989; Gill & Johnson, 2010; Buchanan, 2012). Leppaaho et al. (2016) describe the approach as a powerful methodology to capture the idiosyncrasies, dynamics and processes of FBs and to advance research in the field. From a positivistic orientation Eisenhardt and Graebner (2007: 26) conceive of case study designs as a 'complement to mainstream deductive research'. However, Buchanan (2012: 363) sees this categorisation of case studies as outside the mainstream is 'painfully inappropriate'. My research contributes to this evolving body of case study work in the business and management field.

3.3.2 Unit of analysis

A case study approach requires identification of the unit of analysis. Langley (1999) notes the difficulties faced by researchers embarking on qualitative research on organisational processes to isolate units of analysis in an unambiguous way. Miles et al. (2014) recommend researchers define their case(s) through attention to its conceptual nature, social size, physical location, and temporal extent. The unit of analysis was the process of intergenerational succession in a number of FBs. Specifically, the focus was on the interactions and relationships which, from the perspectives of the participants, in some way shaped the succession process. Thus the cases can be considered as a collection of episodes or relationships with external actors pertaining to the succession

process in each FB. The FBs had to employ more than ten staff[4] to be included in the sample in order to exclude micro-businesses where succession may not be as relevant a concept and where a rich mix of the interactions relevant to the research objectives may not have been present (Marshall & Rossman, 2006). An examination of company accounts and publications, trade journals and other information in the media, was undertaken to establish whether the firm fell within the definition of a FB identified in section 2.1.1. This was then corroborated through the interviews. The FBs were based in NI for the reasons outlined in Chapter1.

In terms of the temporal extent it was originally intended that FBs would be selected where the handover to the next generation was underway or had occurred within the last five years. Sharma et al. (2003: 674) used the same time frame in a quantitative study on succession on the basis that, 'given the importance of succession, memories will be relatively fresh in the minds of key stakeholders and their responses will be accurate'. However, once I started trying to gain access to FBs which fulfilled the other criteria it became clear that more flexibility on the timeframe would be required if an adequate number of firms were to be recruited. In the pilot study, even though the formal transition had taken place ten years previously I established with the prospective participants that they considered they had adequate recall of events to contribute meaningfully on the topic. Therefore, an outcome of the pilot was a refinement of the sampling criteria - see Figure 3.1. No limit was placed on the period during which the interactions with external actors took place in connection with the succession process in each firm. The focus was on capturing and exploring all the instances deemed significant by those involved. Given that researchers tend to regard generational succession as a process that takes place over many years, it would have been arbitrary to set parameters limiting the timeframe within which these interactions occurred.

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[4] There is no single standard definition of what constitutes a small or medium sized business. However, ones employing less than ten employees are often considered to be micro businesses (BMG Research, 2013)

Figure 3.1: Sampling criteria

1. The business is considered to be a family business:
- All or a majority of the shares are owned by members of a family;
- The CEO/MD is drawn from the family or a significant proportion of the management team are drawn from the family; and
- The CEO/MD regards the company as a family company.

2. There has been a transfer of managerial leadership to another generation of the family. This may or may not have involved the transfer of ownership/share of ownership. *Ideally this transfer would have taken place within the last five years, although a longer time frame is acceptable**.

3. The business is based in or operates in Northern Ireland.

4. The business is of a reasonable size to involve some degree of complexity and management challenge i.e. it is not a 'micro' type of business (e.g. employing fewer than ten people).

*The refinement to the sampling criteria following the pilot study is shown in italics.

3.3.3 Multiple cases

Dyer and Wilkins (1991) argue for the value of single case study designs in order to understand a complex context in adequate depth. However, as Silverman (2005) notes, the idea of a purely intrinsic case study is resisted by many qualitative researchers who instead opt for multiple cases to enable comparison as a basis for the development of theoretical propositions (Bryman & Bell, 2011; Saunders et al., 2012). While the study involved close examination of each case, a key focus was on comparison between cases to enable broader exploration of the research questions (Eisenhardt & Graebner, 2007). The intention was to avoid findings which may be idiosyncratic to a single case and provide a robust basis for theoretical propositions.

3.3.4 Sampling

The number of cases is dependent on the research questions, the audience, and the resources available (Saunders et al., 2012). Eisenhardt (1989) suggests between four and ten cases, while Miles et al. (2014) suggest five cases as a minimum for multiple case sampling adequacy. Interestingly, while coming from a different epistemological position, Stake (2006) also suggests that the benefits of multi-case study will be limited if fewer than four or more than ten

cases are chosen, although he recognises that many studies have fewer or more cases than this for good reasons. My study fell within these parameters with one pilot case, three in-depth cases, and three 'mini cases' (where there was a single interviewee). Reaching this number of cases was in part due to adopting a strategy of purposive and theoretical sampling.

The literature recommends theoretical sampling whereby cases are identified by delineating selection criteria based on the research objectives and subsequent cases are dictated by the needs of the emerging theory (Saunders et al. 2012). Cases can be chosen that either replicate other ones in order to explore or verify ideas, or that differ in some way to enable comparison of difference (Eisenhardt, 1991; Fitzgerald & Dopson, 2009). Another strategy is to choose cases which are extreme exemplars or unusually revelatory (Eidenhardt, 1989; Eisenhardt & Graebner, 2007). However, Stake (2005) suggests a less prescriptive approach given that individual cases may or may not be known in advance to manifest some characteristic. He argues that the cases need to provide diversity across contexts and good opportunities to learn about complexity (Stake, 2006). The research objectives included exploring how FBs make use of external relationships in managing succession. Therefore, no attempt was made at the outset to specifically choose cases where it might be expected that the firms made extensive or particular use of external networks, even if some appropriate proxy measure for this could have been identified.

There is no database of FBs in the UK or specifically in NI and this has presented difficulties for researchers (Lussier & Sonfield, 2010). Therefore, I concluded that the initial choice of firms would best be determined by drawing on existing personal contacts, a strategy used widely in business and management research (Rapley, 2004; Easterby-Smith et al., 2008; Saunders et al., 2012; Salvato & Corbetta, 2013). Through personal contacts I identified a FB that fell within the sampling criteria to use for a pilot to test aspects of the methodology. A snowball technique was utilised to assist the process of continued sampling. It was anticipated that this may be a helpful strategy given that FB owner-managers often have links with other owner-managers and a recommendation could assist with gaining access. However, the pilot firm participants were unable to suggest any other FBs with which they had connections that would be suitable for the study and the same problem was

encountered in subsequent cases. Therefore, I proceeded on the basis that I could not rely on study participant firms necessarily being able to add to my cases and instead continued to pursue personal contacts to identify suitable FBs to approach. However, access continued to present a challenge.

Accessing participants is often treated as unproblematic, however, many researchers encounter significant difficulties in recruiting participants, particularly among 'hard to reach groups' and/or when the research deals with a sensitive topic (Sixsmith et al., 2003; Johl & Renganathan, 2010). The experience of several FBs declining to be involved prompted me to focus on the motives around why some people became participants and others resisted. One FB owner had a son diagnosed with a serious illness and therefore understandably withdrew his initial agreement to participate. With a couple of other FBs the issue of 'what was in it' for the participants was the sticking point – the notion of reciprocity. The nature of my study meant that all I could really offer was to come back to participants with outputs from the research. In essence I needed goodwill and/or personal interest in the topic on the part of the FB members approached to gain access. This was particularly the case given the tendency for FBs to protect their privacy (Roessl, 2005; Arregel et al., 2007) and succession being considered a private subject.

In a couple of FBs members indicated that the succession process had been too painful to revisit it. This illuminates the largely unavoidable bias in the sample towards firms where the transition process was successful. FBs could also decide not to use their valuable time in helping me with my research. In one case the MD agreed to be interviewed but declined access to any other potential interviewees on the basis that time in a FB is a precious commodity. While some firms were never going to agree to participate, in the case of others I became aware that careful thought and additional effort were necessary to overcome the access hurdles. These more detailed reflections on access issues are discussed in section 3.5.3.

Given the access challenges, the intended approach of theoretical sampling proved problematic. To some extent the cases were selected through practical necessity in that they met the criteria and were willing to participate. Practical constraints of time and logistics relating to transcription and analysis, as well as

travelling and conducting the discussions, also had to be taken into account (Miles et al., 2014). Within these constraints the total number of cases reflected a judgement about when saturation was reached in terms of new information and themes emerging (Saunders, 2012). In addition, effort was made to ensure that the choice of cases incorporated heterogeneity to help with potential generalisability (Andriopoulos & Lewis, 2009). Therefore, the cases were across a range of industries, included various sizes of firms, led by different generations, and involved different configurations of family members in varying roles within the leadership and ownership of the firms. Table 3.1 provides a summary of these features:

Table 3.1: Case study key features

		In-depth case studies			Mini cases		
	Star-Textile (pilot)	**LuxJewel**	**FuelCo**	**HotelBiz**	**CoffeeCo**	**PrintBiz**	**ClothCo**
Family businesses							
Year founded	1930s	1950s	1960s	1990s	1880s	1930s	1910s
Sector/ industry	Textiles	Jewellery	Fuel import & distribution	Hoteliers	Tea/coffee import & sales	Printing	Linen
Location(s)	NI, US, Middle East	NI	Ireland & UK	Ireland	Belfast	Belfast	NI, Europe & India
No. employees	c.500	c.90	c.400	c.230	c.16	c.40	c.1000
Turnover	c.£55m ye 31/3/13	c.£13m ye 28/02/13	Estimated c.€1.2bn	£5.68m (ye 09/13)	Not available	Not available	Not available
Ownership	100% family owned (20 shareholders)	100% family owned (2 shareholders 2nd gen)	100% family owned (6 siblings in 3rd gen)	100% family owned (4 family members 1st & 2nd gen & family trust)	100% family owned (3rd gen)	100% family owned (2 shareholders)	100% family owned (100% MD)
Gen in leadership	3rd	3rd	3rd	1st	4th	3rd	3rd
Active family members	Chairman 2nd gen; MD 3rd gen; 3 members 4th gen directors	Exec Chairman 2nd gen; MD 3rd gen; Marketing Dir 3rd gen	Dep. Chairman & Exec Dir 3rd gen; Exec Dir 3rd gen; 4 sibling shareholders	MD/founder 1st gen; Ops Dir 2nd gen; Marketing Dir 2nd gen; founder wife shareholder	Chairman 3rd gen; MD 4th gen	Chairman 2nd gen; MD 3rd gen	Owner & MD 3rd gen; 1 member 4th gen working in business
Interviewees							
No. interviewed	4	6	3	3	1	1	1
Externals interviewed	No	Yes (3)	Yes (1)	Yes (1)	No	no	no
Job titles /roles	Chairman, MD, Vice-President US, Head Residential Sales	Exec Chairman, MD, Marketing Dir, Indep. accountant, Indep. business consultant (2)	Dep. Chairman & Exec Dir, Shareholder, Former PA to Chairman	MD, Ops Dir, Marketing Dir, Indep. business consultant	MD	MD	MD
Age(s)	70s, 50s & 40s	30s-60s	50s & 60s	30s-60s	50s	40s	50s
Gender(s)	All male	5 male & 1 female	1 male & 2 female	2 male & 2 female	Male	Male	Male
Work experience outside the FB	Chairman & MD – no. 4th gen: accountancy career & retail	All 3 family members had some outside work experience	Dep Chairman banking career; shareholder no (and has not worked in FB); Former PA magazine editor	MD hotel/ restaurant industry after school; Ops Dir other hotel; Marketing Dir no	IT & telecoms career	no	no

3.3.5 Data collection method

Eisenhardt (1989) states that case studies typically combine data collection methods such as archives, interviews, questionnaires, and observations. Her emphasis, reflecting her largely positivist orientation, is on triangulation through multiple types of data to substantiate constructs and hypotheses. In contrast, Buchanan (2012) argues that the case study can rely on a single method for collecting data, with interviews being popular. He suggests that a conception of triangulation as articulated by some researchers is flawed in relation to qualitative organisational research with a focus on the multiple subjective interpretations of participants. I tend towards Buchanan's position, reflecting my broadly interpretivist and subjectivist philosophical stance. As Yin (2014) notes, single methods have been the sole basis for entire case study research projects. This study used interviews as the primary means of data collection, supported by the use of documents.

3.4 Data Collection: Documents

In recognition of the importance of case context, a range of documentary evidence was analysed as part of the case study approach. Information such as company accounts and websites was drawn upon. This helped in building up familiarity with the company ahead of the interviews, as well as in developing the case descriptions. I recognised Saunders et al.'s (2012) guidance as to the value of such preparatory work in helping me to demonstrate credibility, assess responses, and encourage interviewees to offer more detailed accounts. In the pilot case a helpful input came from the Chairman (Adam) who, unprompted, sent me an email providing scene setting information not available in public documents. This reduced the amount of time that had to be spent in the interviews gathering background information which, while necessary, was not specifically focused on my research questions. While I concluded that it would be inappropriate to ask participants in future cases to provide such an overview email, the pilot experience underlined the need to allow adequate time before and during the interviews to gather this type of contextual information. Adam also gave me a copy of a document pertaining to the use of an external consultant during the succession process. Star-Textile was content for me to use these two documents in my analysis provided adequate steps were taken to protect anonymity. For completeness for the other case studies the consent form

was amended to include specific reference to permission to use any documents provided by participants – see Appendix 4. Participants were asked if they had any relevant documents, such as correspondence or internal documents. However, as anticipated, apart from in the pilot case, this did not produce much because there were few documents developed within the FBs in relation to the succession processes and, where they did exist, individuals were reluctant to share them given that they were regarded as private and sensitive.

3.5 Data collection: Interviews

The main data collection method was interviews and, therefore, the following section explores the rationale for using semi-structured interviews with multiple participants, as well as the further access challenges. Consideration is given to the selection of interviewees, the influence of interview settings, researcher technique, and the impact of retrospective recall. The complexities involved in recording and transcription are also discussed.

3.5.1 Rationale for using interviews

Interviews are a widely used method for carrying out exploratory work (Edmondson & McManus, 2007). Interviews were also the chosen primary method given the episodic nature of the phenomenon of interest (Eisenhardt & Graebner, 2007). Observational techniques would have been unfeasible given the intermittent nature of the use of external network relationships in FBS processes, which tend to take place over a long period of time and in multiple, and often private and unanticipated, contexts between family members and external actors. An ethnographic study in a single business (which would have been all that was feasible within the timeframe) would have limited understanding of the phenomenon of interest to a single setting (Collis & Hussey, 2014).

Interviewing is consistent with my subjectivist and interpretivist orientation seeking to understand in depth participants' meanings and social worlds (Roulston, 2010). I wished to gain insights from FB members and individuals with whom they had interacted and it was expected that people in these types of leadership positions would be more inclined to participate in a one-to-one face-to-face interview than an impersonal survey, particularly on the sensitive topic of succession (Saunders et al., 2012). The multi-generational FBs were based in

NI which is a relatively small geographic location where many business people will know each other and FB privacy is taken seriously. It was anticipated that few would agree to participate in focus group discussions on the sensitive topic of succession. Concerns about confidentiality and anonymity also militated against using asynchronous online interviewing. Some researchers have found participants reluctant to provide frank information due to the risk of email communications being passed inadvertently to other parties (James & Busher, 2006). Such an approach would make it difficult to build the necessary trust to encourage participant disclosure and explore the topics in depth (Fontana & Frey, 2005; Kvale & Brinkman, 2009).

The value of interviews for gathering historical information (Creswell, 2009) was accompanied by a recognition of the issues involved in using retrospective interviews. Huber and Power (1985) warn about the risks of participants projecting an image of socially desirable practices, as well as errors caused by hindsight and attributional bias. Nevertheless, retrospective interviewing has been used widely in business and management research. Golden (1997) recognises the value of retrospective data but recommends taking added precautions, such as using multiple participants, some participants who did not have personal stakes in the phenomena under study, and multiple data sources. In recognising the value of interviews for gathering data about episodic phenomena Eisenhardt and Graebner (2007) also advise using multiple participants, arguing that it is unlikely that these varied participants will engage in convergent retrospective sensemaking and/or impression management. Emphasising confidentiality and anonymity should also assist in encouraging disclosure and minimising misinformation, evasion, and retrospective self-presentation (Huber & Power, 1985; Miller et al., 1997).

I employed similar measures through, where possible, interviewing a range of family members as well as individuals external to the firm and drawing on documentary sources. In addition, asking probing questions to elicit detailed and specific information about particular interactions was designed to help enhance confidence in the data (Huber & Power, 1985). Cope and Watts (2000) note that in their research with entrepreneurs it was the memories of the critical incidents and their developmental impact that was the primary focus, making the participants' subjective retrospective interpretations valuable. In a similar way,

it would be impossible to capture the interactions relating to succession as they happened, possibly over a period of years and at times that could not have been anticipated, and my research interest was in how the interactions were perceived to have had an influence on the experience of the succession, something only possible with reflection after the event.

3.5.2 Multiple participants

A common feature of case studies is to elicit multiple stakeholders' perspectives (Fitzgerald & Dopson, 2009). As noted above, where possible, interviews were conducted with several individuals in each FB who had been involved in the succession and therefore were well placed to render rich accounts (Alvesson & Ashcraft, 2012). Access to individuals external to the firm who were identified by the family interviewees as having had an important role in relation to the succession process was also sought. Following Alvesson and Ashcraft's (2012) advice, the aim was to seek a balance between breadth of representation and participants with much to offer in depth. There was a degree of diversity in the sample in terms of participants from inside and outside the FB, from different generations, in different roles, of different genders, with different experience, and engaged in various types of relationships with the FB actors. This sample heterogeneity was helpful given that there has been little examination of succession issues from the perspective of family members other than the incumbent and successor (Birley, 2002).

3.5.3 Access issues

The decisions on who was interviewed in each case were partially determined by who could be accessed. I recognised from the outset that gaining the trust of the most senior family member in each of the firms, in effect the 'gatekeeper', would be essential (Saunders et al., 2012). Therefore, an initial approach was made to these individuals and, where successful, the first interview undertaken with them to provide reassurance about the legitimacy of the study. With interviewees I emphasised that information would remain confidential and anonymous and presented the study in a way that had relevance to the participants (Saunders et al., 2012). I provided a copy of my CV and made it clear that the research had been approved by Royal Holloway, University of

London. An anonymised version of the original letter to prospective interviewees is provided in Appendix 5.

The experience of the pilot confirmed my concerns about gaining access to multiple individuals. Four individuals were interviewed because the Chairman felt this gave adequate coverage in that it included all the family members actively involved in the business. Talking to the two main external individuals identified as playing a role in the succession proved to not be possible. I was aware that Star-Textile had been good enough to give me the time of senior executives to discuss a private subject and therefore this constraint was respected. This experience, coupled with the refusals to participate from other firms, underlined the scale of the access challenge and prompted me to reflect in more depth on how I went about making the initial contact with firms and how I positioned myself and the research.

Sixsmith el al. (2003: 581) emphasise that the identity of the researcher can have an impact on gaining access with some researchers in certain circumstances having the experience, background and/or identities that can help create an 'insider empathy' and degree of trust with the community of participants. In other cases they point to the value of a more distanced researcher helping to encourage people to divulge personal reflections because they believe that the researcher (as an outsider) was unlikely to exchange such confidences within the community setting. After careful reflection when contacting FBs I sought to position myself as both insider and outsider. An 'insider' in terms of explaining in my contact letter that my initial interest in the topic was stimulated by the experience of our own FB. By naming our FB which was well-known in NI I sought to establish some credibility in the eyes of the recipient and gain some traction with them to encourage them to at least consider the request for access. I was signifying that I had personal understanding of the FB context and was sensitive to at least some of the challenges encountered by FBs. I was indicating that I was not simply an anonymous researcher which was important, particularly given the lack of reciprocity that I could offer participants.

This approach, however, also held some risks because it could have engendered concerns amongst potential participants that their disclosures could be shared with my family which is still active in business circles in the small community

of NI. This was despite my assurances about anonymity and confidentiality. Therefore, I sought to position myself simultaneously as an 'outsider' by emphasising my credibility as a researcher, including that the research was sponsored by the ESRC and had university authorisation. By enclosing my CV I indicated that I had spent much of my career in the Civil Service and undertaken postgraduate study, thereby giving me an external perspective and broader frame of reference in which to examine FBS experiences. Overall I became very aware that it was necessary to explicitly think about the ways potential participants and then participants regarded me (Carey et al., 2001). An anonymised version of the revised letter to prospective interviewees is attached at Appendix 6.

Access was about more than just securing the interviews; it was also about establishing rapport so that interviewees talked frankly (Saunders, 2015). I found that in some instances I could develop rapport given I shared some aspects of the participants' experiences in terms of growing up in a FB context. In other interviews connections were identified in initial small talk around, for example, mutual acquaintances or attending the same university as the interviewee or one of his/her children. I came to quickly appreciate the importance of these first few minutes in developing some level of rapport and trust to ease the path into the discussion on FBS issues.

A further aspect that emerged as important in gaining access was the person through whom initial contact was made with each FB. I drew on personal contacts for the reasons discussed earlier. In one instance I knew the family, in others it was through relations, the Finance Director in our FB, my previous boss, friends, and consultants working with FBs. In most cases these individuals spoke to the MD/Chairman of the FB to ascertain if they would be content for me to write to them seeking their participation. The credibility and nature of the relationship of the individual making the initial approach was critical in determining whether the FB gatekeeper would be amenable to receiving an approach about the research and, beyond that, to participating. There are parallels with some of the literature on trust and networks discussed in Chapter 2. Uzzi (1997) finds that embedded ties primarily develop out of third-party referral networks and previous personal relations. Third parties act as important 'go-betweens' in new relationships enabling individuals to 'roll over' their

expectations from well-established relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust (Uzzi, 1997; Kramer, 1999). This 'roll over' role of third parties and the insider-outsider dilemma were bound up with the notion of trust between me as researcher and the participants. This aligns with the observation by Carey et al. (2001) that in qualitative research a trusting relationship needs to be achieved. However, as Emmel et al. (2007) note, little attention has been given to understanding the implications of the nature of the trust relationship between researcher and participant.

It became clear to me that I needed to give more thought to the fact that I was asking participants to trust me because the research was asking for disclosure of personal experiences (Crozier, 2003) about the private, sensitive, and often emotional topic of FBS. Emmel et al. (2007) suggest that trust between researcher and participant is partially built through experience. This aligns with the literature on trust discussed in section 2.2.9, specifically the notion of knowledge-based trust (Lewicki & Bunker, 1996). In my initial letter to FBs I began by asking to meet with the family member I was writing to and explaining that I also needed to talk to other family members and, if possible, the external people with whom they may have discussed the succession process (see Appendix 5). I was up front about my need for access to a range of individuals on the basis that I believed it was ethical to make this clear at the outset. However, in light of a few individuals declining to be involved on the basis of what they perceived to be the scope of the research I decided to temper my approach. Looking at it from their perspective I could appreciate that the research appeared to be quite intrusive. Furthermore, in most instances the FBs did not know me as an individual; they only had the recommendation from the person who had put us in contact, and my initial letter and CV. Therefore, the gatekeeper had little or no basis of knowledge–based trust on which to decide whether I was trustworthy and the research would be worthwhile. I came to appreciate that I had been granted extensive access in the one firm (LuxJewel) where I had been acquainted with the family over a number of years and thus there was some kind of prior knowledge (Crozier, 2003) as a basis of trust. Although trust was not initially a key focus of the research it emerged as an important dimension, and it is interesting that my experience in this regard

aligned with Lyon's (2015) observation that where access is challenging due to the sensitive nature of trust research, many studies rely on personal connections where there is already trust between researcher and subjects.

In later letters to other FB gatekeepers less emphasis was placed on the need to meet other family members and external individuals (see Appendix 6). If they agreed to a meeting my aim was to develop some level of trust and rapport and then ask if I could meet with other family members and, if possible, relevant external individuals. The new approach seemed to yield some results. Through meeting them I had an opportunity to demonstrate my trustworthiness through emphasising the anonymity and confidentiality of the research and handling the questioning in a way that recognised the sensitivity of FBS. In other words, there was some basis for a knowledge-based trust decision to be made by the gatekeeper. Additionally, as Carey et al. (2001) note, some participants needed time to feel comfortable with the idea of the research and the research process. However, despite these efforts three contacts in FB agreed only to me meeting with them on an individual basis. In these instances their role as gatekeeper was the important factor.

Researchers have long recognised the influential role of gatekeepers in enabling or inhibiting access to participants in certain communities (Sixsmith et al., 2003; Emmel et al., 2007). However, it does not seem that this issue has been considered in the context of research into FBs. In one business I was granted access to one other family member and one external person but was advised that interviews with other individuals would not be possible. In this case the ownership succession had caused a rift within the family and therefore it was perhaps understandable that the gatekeeper was only granting access to those whose perspectives accorded in broad terms with his own (Sixsmith et al., 2003; Emmel et al., 2007). Clearly there were issues of trust and control at play here. The type of deep interpersonal trust between family members described by Sundaramurthy (2008) is not the reality in some FBs. Lyon et al. (2015) note this potential hazard where one side of a trust dyad refuses researcher access to the other because they do not want the other side to know of their participation in the research given the highly sensitive or confidential content, which can result in sample bias if low-trust dyads are not available to be studied. Where individuals had been good enough to give me their time and extend their trust to

meet with me I felt on ethical grounds that I could not breach this trust by seeking to contact other family members or external actors contrary to the gatekeepers' permission. A focus on purely in-depth case studies had to be broadened to include those FBs where only one individual could be accessed on the basis that it was better to gain this perspective than obtain no data from the firm. Appendix 11 summarises my connections to each FB and how I achieved access in each case.

3.5.4 Interview settings and dynamics

In preparing for and conducting the interviews the nature of the power dynamics within the interview setting were considered. By virtue of their organisational position several interviewees were elites and thus were in a more powerful position than I was as a researcher (Cassell, 2009). However, I believe the situation was, at least to some extent, balanced by virtue of what Kvale and Brinkman (2009) term the power asymmetry between the researcher and the participant given that the former initiates and defines the interview situation, determines the topic, poses the questions and undertakes the analysis.

I was conscious that the power dynamics could be influenced by the physical location of the discussions (Rapley, 2004). As Cassell (2009) observes, locations are not neutral, however, information on the location of interviews in the studies reviewed in Chapter 2 is largely absent. In a rare comment on the influence of location in the FB literature, Anderson et al. (2005) note that carrying out their interviews at the participants' premises helped encourage relaxed and open discussions. To help gain access the interviews were conducted in the location preferred by each participant so that it would be convenient for them and somewhere they were comfortable (Saunders et al., 2012). This resulted in holding discussions in NI, Dublin, Edinburgh, London and the north of England in interviewees' offices/boardrooms, in pubs, cafés, hotel lounges, an interviewee's home, and one by telephone.

The pilot gave me the opportunity to reflect on the power dynamics and impacts the various settings had on discussions. I was aware of the seniority of the individuals I was interviewing within Star-Textile and that I was seeking information on a sensitive topic and therefore had to remind myself not to be daunted. While I sought to probe on particular issues I was conscious of the

need to avoid coming across as insensitive or too insistent. The dynamics were also affected by the physical location. One interview took place in a quiet café at the side of a cricket pitch, making it quite relaxed. Two more were in the boardroom at Star-Textile with large portraits of deceased family members on the walls. In many ways this was a fitting setting for the topic being discussed and helped me put faces to some of the people being mentioned. The fourth interview took place by telephone because this individual was US-based. There was less opportunity to establish rapport with this interviewee given the absence of visual cues and personal engagement (Saunders et al., 2012). I found there was less scope to allow for silence to encourage the interviewee to provide further information or consider their answers. Saunders et al. (2012) warn that telephone interviewees may not be willing to provide you with as much time to talk, however, I do not think this was an issue in this instance because the discussion lasted close to an hour. Not being face-to-face provided me with more freedom to make notes as the conversation proceeded. Valuable data was gained from the telephone discussion, partly facilitated by having established my credibility through prior contact by email and having met with the other family members by this stage.

Where interviews took place in an interviewee's office this setting provided the privacy needed given the sensitive nature of the topic. Where the discussions took place in public settings I took care to arrive early and secure a seat which offered maximum privacy and the best chance to achieve a reasonable quality of recording. Conscious of the personal safety issues involved, the one interview carried out in the interviewee's home was accepted because the interviewee was female and given that she worked from home this was effectively her office and her preferred location.

Alongside location, the degree of structure shaped the interview experience. A semi-structured approach was adopted with a number of specific questions covered in an interview guide but allowing flexibility for the interviewee to shape the discussion (Bryman & Bell, 2011). As Marshall and Rossman (2006) suggest, a semi-structured approach provides a necessary degree of systematisation in a multisite case study involving multiple participants while also retaining the key focus on the participants' perspectives. A highly

structured approach would have been inconsistent with seeking to understand the multiple subjective perspectives of participants. At the other extreme, adopting an unstructured approach would have run the risk of not gathering material relevant to the specific research questions and ending up with data that were extremely difficult to analyse (Easterby-Smith et al., 2008).

Each interview began with broad questions about the FB and succession experience in order to try to build rapport and gather contextual information. Interviewees were then asked to identify the main interactions that had influenced how they managed and/or experienced the succession. A series of questions were asked to elicit information about each interaction. The interview schedule used in the pilot is at Appendix 7. The pilot was helpful in refining this schedule. The initial questions served to relax the interviewees and get them engaged in the subject, however, my list of questions relating to the external relations proved to contain too many questions that overlapped and fragmented the discussion. I found that aspects of later questions were covered, at least to some extent, by the interviewees in response to the first question about who they talked to outside the firm in relation to the succession process. I restructured this section of the schedule to have some of these supporting questions as prompts to ask about if not covered already by the interviewee or to probe further on - see Appendix 8. As I proceeded I realised I needed a slightly different interview schedule for use with individuals external to the FB. This adapted interview schedule is at Appendix 9.

Each interviewee was provided with information in advance to enable them to prepare for the discussion. Not doing this risked little relevant material emerging because people needed time to think about the interactions which had an impact on a process which was not occupying their thinking on a day-to-day basis. This advance notice approach was adopted by Curran and Blackburn (1994: 106) in their interviews with small business owners and they record that it 'helped elicit more detailed narratives than might have been possible to bring to mind if the subjects were first raised in the interview itself'. The participant information sheet is at Appendix 10.

3.5.5 Interviewing technique

The interview dynamics were also shaped by interviewer technique. Interview advice literature emphasises the need for careful listening, observation of non-verbal clues, appropriate use of probing follow-up questions, and showing genuine interest (Easterby-Smith et al., 2008; Kvale & Brinkman, 2009). My interview schedule (Appendix 8) reflected careful thought about probes as well as question sequencing to begin with broader questions and build rapport before moving on to potentially more sensitive aspects (Roulston, 2010). I remained conscious of the need not to impose my own frame of reference on interviewees (Easterby-Smith et al., 2008). I used predominantly open-ended questions, avoided using conceptual language, and allowed time for participants to think about their answers (Marshall & Rossman, 2006; Saunders et al., 2012).

As noted in the methodological texts, undertaking the interviews was a challenging experience. Making notes in a journal immediately after each discussion and then taking time to reflect helped me learn from each interaction. For example, on listening back to my first interview it struck me that I spoke too much in my anxiousness to show the interviewee that I was genuinely engaged. In later interviews I made a conscious effort to say less and embrace silence to encourage interviewees to continue. The first interview also gave me confidence to use more probing questions to seek to get more data on issues of particular interest.

Throughout the study I reflected on the experience of interviewing, including on why individuals opened up to me and why a few perhaps did not open up as much. I concluded that the propensity to be forthcoming was due to various factors. Firstly, the extent to which the individual was interested in the subject of succession having already devoted a significant proportion of their time, effort and thought to the subject. This was particularly the case for incumbents. Secondly, there was a personality element with those individuals who came across as the type of people who generally wanted to help other people as much as they could proving to be the most forthcoming. This was especially apparent in those who had a strong philanthropic dimension to their lives and/or were engaged in very public-facing businesses and roles. A third factor in stimulating interviewee openness was their personal experience of postgraduate study. In

these instances they were more readily able to understand what I was seeking to achieve and helped them to be amenable to working with me. Finally, some individuals welcomed the interview as an intellectually stimulating exercise, giving them the unusual opportunity to discuss the complex experience of succession with a dispassionate outsider.

Undertaking the pilot also made me realise the benefits of restricting myself to only one interview per day given the demands the discussions placed on me and to allow time for reflection. To minimise travel costs I was not able to spread the interviews over too elongated a period of time, although I did allow enough time between sets of interviews for the processes of reflection, transcription and initial analysis (Saunders et al., 2012).

3.5.6 Recording

Most researchers stress the need to audio-record interviews provided participants have given their permission. Recording allows the interviewer to concentrate on listening and interacting with the interviewee (Rapley, 2004). It also facilitates listening to the interview repeatedly, ensures an accurate record, and allows for use of direct quotations (Bryman & Bell, 2011). However, recording can influence the dynamic of the interaction and may inhibit disclosure (Saunders et al., 2012). I explained to participants in writing and at the start of the discussions that the commitment to confidentiality extended to the recordings. This was important with several interviewees seeking further reassurance during the discussion about the confidentiality of what they were saying, including that I would not be disclosing their divulgences to other interviewees. I believe audio-recording had a minimal impact on the discussion dynamics and disclosure with multiple comments like that by the pilot firm MD:

> "…on the basis this is confidential - and, you know, and I think hopefully it's helpful to what you're doing, is to be candid…As opposed to try and like gloss over things, sort of thing."

Furthermore, there was a candidness on the part of many interviewees, sharing stories of *inter alia* family breakdown, gender discrimination, personal self-doubt, impacts on individuals' physical and mental health, and sibling jealousy. Without having the recordings to examine repeatedly the length and depth of the

interviews would have made data capture, analysis and presentation in this qualitative and interpretivist study extremely difficult.

Fortunately only one interviewee declined to be recorded. The ClothCo MD (Tim) said he would be more frank if he was not recorded, however, he was happy for extensive notes to be taken. I wrote up the notes immediately after the interview to capture as much detail as possible. The wishes of the interviewee were respected because it was considered likely that useful information would still be forthcoming about this multigenerational FB (Bryman & Bell, 2011). Indeed, the narrative provided by Tim appeared to be very candid outlining issues of alcoholism, family breakdown, ill-health and intra-family tensions. However, the absence of a transcribed audio-recording is recognised as a limitation in this case in terms of the analysis, including the paucity of direct quotations to illustrate points.

3.5.7 Transcription

Recording all but one of the interviews enabled transcription of the discussions. Transcription is not simply a technical task but rather inherently problematic (Marshall & Rossman, 2006; Kvale & Brinkman, 2009). Coates and Thornborrow (1999) note that one transcriber's hearing of a given section of talk will inevitably differ from another's. I had intended to personally transcribe all the interviews to help me begin interpretive processes (Tilley, 2003). Therefore, I transcribed the pilot interviews, however, this took a long time given my lack of experience with touch typing transcription. Given time constraints I decided to get subsequent interviews professionally transcribed and used the time saved to focus on the task of analysis. Requesting verbatim transcriptions, followed by careful reading through of the transcripts, including while listening again to the recording and consulting the notes I made during and after the interviews, helped ensure that I rectified any transcription errors, developed familiarity with the data, and enhanced the validity of the study. Through doing this I believe that I did not miss out on the kinds of understandings that develop as tapes are transcribed. This checking of the transcriptions resulted in multiple small amendments to the text where, for example, the transcriber had failed to fully understand accents or turns of phrase. This process reflected my desire to be as faithful as possible to the spoken word and thus why in some instances the direct

quotations presented in the case studies may be difficult to follow. The desire to ensure that the transcriptions were loyal to each interviewee's oral statements was influenced by my commitment to ethical conduct throughout the study (Kvale & Brinkman, 2009).

3.6   Ethical issues

The study was carried out in accordance with the Royal Holloway and ESRC codes of ethics. Prospective participants were reassured that care would be taken to protect their anonymity and ensure confidentiality. This involved rigorous data management, secure storage of the digital recorder and the use of pseudonyms (Bryman & Bell, 2011). Care was taken to ensure that information or views expressed by participants were not divulged to other participants.

In line with the premise of informed consent, each participant was provided with a consent form (Appendix 4) and a Participant Information Sheet (Appendix 10). The latter was designed to provide prospective interviewees with the information they needed to make an informed decision about whether to participate (Bryman & Bell, 2011). Ensuring anonymity and confidentiality minimised any potential harm that could have arisen from potentially private or sensitive information being made known to others. The only other possible type of harm identified was that discussing succession may cause a participant stress or discomfort (Creswell, 2009; Kvale & Brinkman, 2009), however, this did not appear to be an issue for the interviewees. Participants were made aware of their right to withdraw at any stage or decline to discuss certain issues.

I maintained a focus on integrity and honesty throughout the study (Saunders et al., 2012). Emphasis was placed on transparency about procedures as well as avoiding any sloppy data recording, and/or insufficient, selective or misleading reporting of findings (Creswell, 2009; Miles et al., 2014). Keeping a journal to record personal reflections throughout the project helped with this (Lincoln & Guba, 1985).

3.7   Data analysis and reporting

Case study data analysis is difficult, partly because the techniques are not well defined and due to the volume of data generated (Eisenhardt, 1989; Saunders et al., 2012; Yin, 2014). I had originally thought about using a Computer Aided

Qualitative Data Analysis Software (CAQDAS) software package such as NVivo to support the process. CAQDAS software can make search and retrieval of relevant segments of text, data linking, and data display generation easier and quicker, particularly when dealing with a substantial volume of data generated through interviews (Miles et al., 2014). However, following the pilot phase I decided to use a systematic manual process to code the data, largely because I was not dealing with a huge volume of data. Using a systematic manual procedure enabled me to engage in a deeper dialogue with my data and avoided the danger of overly fragmenting my data and/or quantifying it in inappropriate ways simply because NVivo offers the functionality for these processes (Easterby-Smith et al., 2008; Sinkovic and Alfoldi, 2012).

I followed the advice in the literature to begin initial analysis following transcription of the first interviews, concurrently with further data collection to assist with case selection and interview focus (Silverman, 2011). Buchanan (2012) recommends developing a case description as a first step, crafting the data into a coherent account which becomes the platform for analysis. In the entrepreneurial networks literature Jack et al. (2008) provide valuable summarised 'stories' of each of the entrepreneurs they studied before offering cross-case comparisons. Therefore, a write-up of each case was produced drawing on the documentary evidence and the transcripts as a foundation for organising the data and generating insight (Eisenhardt, 1989). Conscious of Dyer and Wilkins' (1991) plea for case studies to be coherent and memorable stories, I focussed on constructing compelling stories based on the data (Pratt, 2009).

The next stages of the analytical process involved further data organising, categorisation, and conclusion drawing (Saunders et al., 2012; Miles et al. 2014). A thematic analysis approach was adopted, as is common in many qualitative business and management studies. The general procedure outlined by Miles et al. (2014) provided a framework for undertaking the analysis in a systematic way. The studies by Hite (2003), Salvato and Corbetta (2013) and Strike (2013) were also helpful in that they provide rare examples in the FB and entrepreneurial networks literature of a detailed explanation of how their respective coding structures evolved and how they reached their analytical interpretations. 'First cycle coding' (Saldana, 2013) was undertaken as a means

of 'data condensation', involving making numerous annotations and memos. Through this process I developed a range of codes, including descriptive phrases, In Vivo codes (particularly appropriate given my focus on honouring the participants' views), process codes, and causation codes. The coding was primarily inductive given the exploratory nature of the study, although immersion in the literature and the identification of relational embeddedness as a key concept provided a prior conceptual structure as a starting point (Creswell, 2009). Additionally, the pilot had provided signposts to issues and concepts which might be fruitfully explored in subsequent cases. A document was created for each case which collated all the relevant quotations from the transcripts relevant to each code along with thoughts to inform analysis. In an iterative and dynamic process these codes were reviewed and organised to facilitate grouping to develop first order concepts.

Thereafter thought was given to the differences, similarities and relationships between the first order concepts to enable further grouping and the emergence of second order themes (Miles et al., 2014). In developing the first order concepts and second order themes techniques such as analytic memoing, narrative description, and diagrammatic displays were used to move towards cohesive constructs (Langley, 1999; Collis & Hussey, 2009). A key step was developing a data structure diagram for each case. On this basis the case findings and insights were then developed. A diagram outlining how this data analysis process was applied in relation to one particular theme within the LuxJewel case study is included at Appendix 12.

I developed a strong understanding of the individual cases and then moved on to cross-case comparison. This involved striking a balance between the contextual specificity of individual cases and wanting to understand the phenomenon across several cases (Yin, 1981; Miles et al., 2014). As patterns and relationships began to emerge I worked to systematically assess the data from each case to assess how well or poorly it fitted with the emerging framework (Eisenhardt, 1989). Part of the highly iterative analytical process was to consider how the emerging concepts and theory complemented and/or contrasted with the existing literature.

My thinking on reporting the findings developed as the research progressed. I heeded the advice of Pratt (2009) to not simply provide interpretation of the data, showing little raw data in the form of quotations to enable assessment of the plausibility of the interpretations. Contextualised quotations were provided to illustrate each point, with additional supporting data provided in tabular form (Eisenhardt & Graebner, 2007; Kvale & Brinkman, 2009). Where appropriate, diagrams and figures were used to present aspects of the findings.

3.8   Overview of pilot study

Throughout this chapter reference has been made to refinements made to the methodology as a result of the pilot phase. It is helpful at this point to recap on these changes. The sampling criteria, participant consent form, and interview schedules were all slightly refined. Doing the pilot study enhanced my recognition of the importance of gathering contextual background information and the effect the location of interviews can have on the discussions. The pilot also underlined the challenges involved in accessing individuals outside the FB and helped shape an amended approach to gaining access. Undertaking the interviews gave me a valuable opportunity to develop my interviewing skills and helped me reach the decision to have subsequent interviews professionally transcribed in order to spend more time on the data analysis. Finally, the pilot resulted in the decision to use a systematic manual coding process rather than NVivo.

3.9   Quality issues

Given the qualitative nature of the research the criteria proposed by Lincoln and Guba (1985) and Guba and Lincoln (1994) were considered appropriate, rather than those usually used to assess quantitative research in the positivist tradition (Symon & Cassell, 2012). Several of the steps to ensure the credibility, transferability, dependability, and confirmability of the research have been touched on in this chapter. For example, two methods of data collection and interviews with multiple participants offered an element of triangulation (Roulston, 2010). As discussed earlier, the triangulation focus was about gathering multiple subjective interpretations, rather than on corroborating data to get a 'true' fix on 'reality' (Marshall & Rossman, 2006; Silverman, 2013).

A reflexive approach was taken throughout, involving reflecting on my influence on the research process, as well as methodological and ethical issues. The detail in this methodology chapter and associated appendices were designed to make the research process transparent to enable readers to assess the credibility of the research (Roulston, 2010). I worked to follow Silverman's (2013) advice to undertake comprehensive data treatment, considering all the material, including anomalies. In keeping with my understanding of the interview as a social interaction I included my contributions to the interview discussions where relevant. Transcriptions were checked carefully and the interaction with supervisors provided a form of peer debriefing to challenge assumptions, counter potentially selective perceptions and explore the basis for interpretations (Lincoln & Guba, 1985; Kvale & Brinkman, 2009; Symon & Cassell, 2012).

Given the interpretivist orientation of the study consideration was focused on analytical generalisation to theory (Fitzgerald & Dopson, 2009). Thick description based on a deep understanding of the cases was provided to enable readers to assess the possible transferability of the findings to other settings (Guba and Lincoln, 1994; Collis & Hussey, 2014). Gioia et al. (2013) emphasise that it is possible to generalise from a case study if the case generates concepts or principles with relevance to some other domain. As noted earlier, the use of multiple case studies and ensuring heterogeneity in the sample were aimed at enhancing the potential transferability and analytical generalisability of the study (Eisenhardt, 1989).

3.10 Limitations

A number of methodological limitations have been alluded to throughout this chapter. It is essentially a cross-sectional study given practical constraints, however, a longitudinal study would perhaps be able to capture more fully the dynamic and long-term nature of intergenerational transitions. The study considers a small number of cases in the relatively restricted geographic area of NI. While offering depth, this approach inhibits generalisability to a wider population. A further limitation is that the cases studied were all examples of successful intergenerational transitions (insofar as the firms are still operating under the leadership of a subsequent generation), given the difficulties in

accessing firms where the process had been unsuccessful. Accessing only one individual in three FBs and one of these declining to be recorded were additional limitations. There was mixed success in gaining access to individuals external to the FBs and this is acknowledged as another limitation. Getting access to internal family/FB documents relating to the successions proved impossible except in the pilot firm. The necessarily retrospective nature of the interviews given the episodic nature of the phenomenon of interest can also be considered to be a limitation in some respects.

3.11   Conclusion

This chapter outlined the methodology for the research project. I have outlined my ontological, epistemological, and axiological assumptions as these shaped the approach taken to the research design, data collection, and analysis. The chapter explained how an inductive and qualitative approach was appropriate given the objective to explore the subjective perceptions of the actors involved in FBS social network relationships and how this approach suited the exploratory nature of the study. The unit of analysis was identified as the interactions and relationships with actors outside the family and FB which, from the perspectives of the participants, influenced the succession process. Detail was provided on the rationale for undertaking a multiple case study approach and how this was taken forward. I then outlined how data collection was undertaken through drawing on documentary sources and, in particular, interviews. The challenges involved were recognised given that each interview is a complex social interaction and the need to appreciate the various factors influencing the interview experience. I discussed my approaches to recording, transcription, data analysis and reporting the findings. Consideration was also given to ethical matters and quality issues. The following chapter considers the pilot phase of the study.

Chapter 4

4   PILOT STUDY

4.1   Introduction

This chapter outlines the pilot phase of the study which was conducted in order to test the methodology outlined in chapter 3 and provide guidance for undertaking the main case studies (presented in chapters 5-8). The characteristics of the pilot firm are set out, followed by a summary of the company history and the family involvement. A data structure diagram is provided followed by the findings from the pilot case. The chapter concludes with a review of the refinements made to the methodology as a result of the pilot and notes the themes of potential interest within the main study sample identified through undertaking the pilot.

The pilot involved a FB called Star-Textile[5]. The case description draws on interview data, journal notes compiled after the interview, and publicly available information such as company accounts, websites, trade/industry publications, and newspaper articles[6]. The case descriptions for subsequent cases (Chapters 5-8) also drew on these types of sources. In addition the Star-Textile case analysis drew on two documents provided by the company Chairman - an email providing an overview of the business and an exchange of correspondence between the FB and an external business consultant about succession issues. I had no personal connection with the company or the interviewees and therefore do not believe I had any bias towards this business which would encourage me to present it in an inaccurate manner, either positively or negatively. Similarly, I did not have any bias towards the subsequent FB cases.

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[5] Pseudonyms have been used to protect the anonymity of the FBs
[6] Full references have not been given to avoid identifying the FBs

4.2 Pilot case summary characteristics

Table 4.1: Star-Textile characteristics	
Year founded	1930s
Sector/industry	Textile manufacture
Locations	Northern Ireland & GB, Europe, US and Middle East
No. employees	c.500
Financial information	Turnover c.£55m & operating profit of c.£5m (year ended 31 March 2013)
Markets	Global market: exports account for >70% of sales
Ownership	100% family owned. Twenty shareholders from various branches of the family.
Generation in leadership	2nd generation member is Chairman and 3rd generation member is Group MD
Active family members/ generations	Three members in the 4th generation of the family are also involved as Directors: two in senior management positions, one as a member of the Holding Board with no day-to-day involvement in the business.

Figure 4.1: Star-Textile family involvement chart
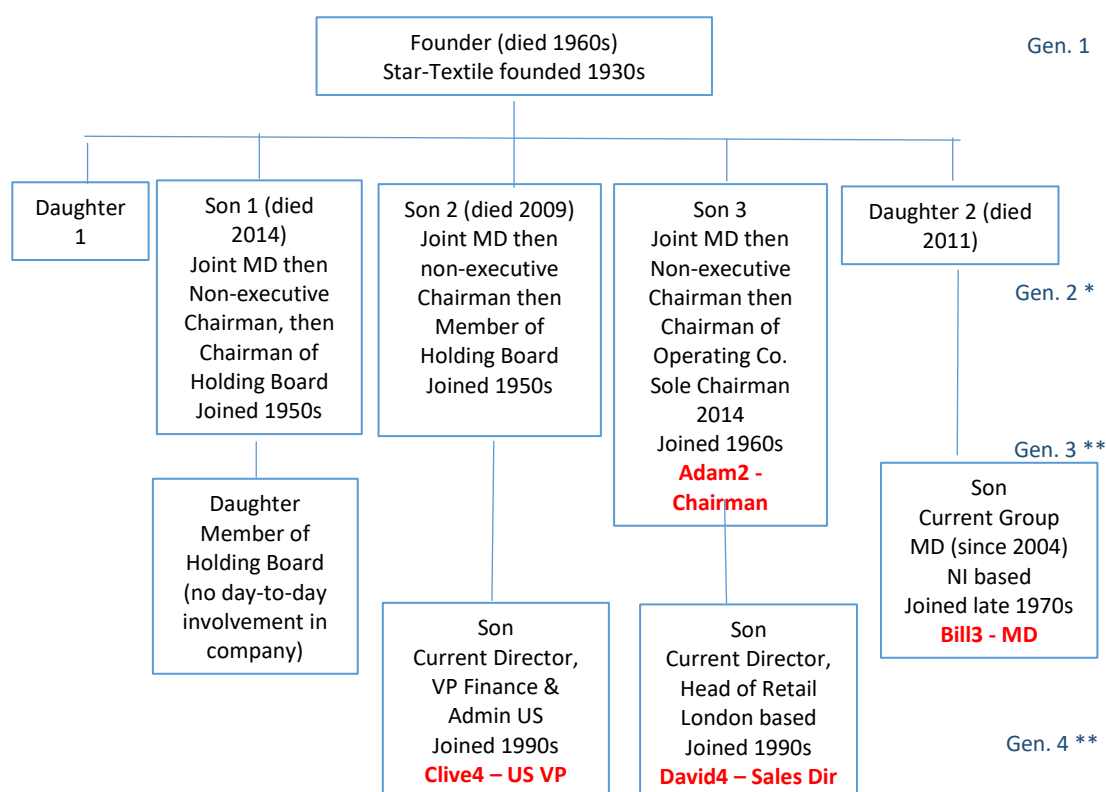
* Generation 2: diagram only shows those children involved in the business
** As grandchildren of the founder Bill, Clive and David are all members of the 3rd generation. However, the family consider Bill to be the 3rd generation and Clive and David to be 4th generation in terms of family firm leadership.

Table 4.2: Star-Textile interviewee characteristics				
	Adam[7]	**Bill**	**Clive**	**David**
Current position	Chairman	MD	Vice President, US Operations Company Director	Head of Residential Sales Company Director
When joined company	1960s	Late 1970s	1990s	1990s
Family position	2nd generation – only surviving son of founder	3rd generation – grandson of founder	4th generation – grandson of founder	4th generation – grandson of founder
Age	70s	Late 50s	40s	40s
Gender	Male	Male	Male	Male
Education	University & technical training	Technical training degree	Law degree, qualified accountant	University
Work experience outside FB	None	None	Accountant before joining the company	Worked in textile retailer for short period
Interview location	Boardroom at business HQ	Boardroom at business HQ	By telephone	Offsite – café

4.3   Company history and family involvement

Star-Textile was founded in the 1930s by the father of the current Chairman. A non-family General Manager (GM) was recruited by the founder in the early 1940s and he continued until his retirement in the 1980s. The founder had five children, three sons and two daughters, and the sons joined the business in the 1950s/60s. They subsequently became joint MDs and took over ownership. Two of the three sons are deceased, while the third is now Chairman. During the 1970s the three brothers decided to sell a third of the business to a venture capitalist firm to release capital. The venture capitalist was a passive shareholder and ultimately this portion was bought back in the mid-2000s so the business was once again 100% family owned. The shareholding is now diluted amongst twenty family members.

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[7] Gender specific pseudonyms are used for each interviewee. For example, Interviewee A is referred to as 'Adam2 – Chairman' to indicate that this interviewee was 2nd generation and held the position of Chairman.

During the 1970s and 1980s the brothers worked as a close team running the business along with the GM:

> "…the three of them, they always, you know, they always had a very strong principle, the three of them had to make a decision together…They always liked to work as one entity really." [Bill3 - MD]

During the 1980s the brothers started to think about the future of the business because they and the GM were approaching retirement age. They wished to pass it on to the next generation, however, their children were still at school so there was no clear line of succession. Therefore, the brothers appointed as CEO an individual who had leadership experience in other industries. The brothers moved into non-executive Chairman roles and during this time the family played a passive role in terms of the business operation. The new CEO led the company through a period of rapid and intensive change, involving market expansion, acquisitions and changes in working practices:

> "Literally in two or three years it went from being a sort of very provincial family business with all the focus being on the UK to being a sort of…much more focused, professional business, perhaps, in some ways…there was a sort of plan for global expansion." [David4 – Sales Director]

During this time two other family members joined. The first was the son of the one of the brothers (now deceased) who had completed a law degree and then practised as an accountant, Clive4 – US VP. He came into the company at a management level and from 2002 was based in the US branch. The second to join was David4 – Sales Director, the son of the brother who is currently Chairman. He came in after obtaining a degree in textile engineering and experience with a major textile retailer.

While the changes driven by the non-family CEO boosted sales turnover it also meant reduced profitability and over-extension. By the early 2000s Star-Textile's very survival was in question, resulting in the CEO's departure. The son of one of the founder's daughters who had originally joined the business in the late 1970s (Bill3) was appointed as Group MD.

> "I would say we were a family business, then we came away from that route by design because obviously we sought professional management. And I would say we have now come back to being more of a family

business because the chief executive…essentially he is the grandson of the founder, and that is a very strong influence on everything that's done within the business." [Clive4 – US VP]

Over the last ten years under the family MD's leadership the company has turned around, divesting itself of unprofitable acquisitions, focusing on technological innovation, and achieving a major recovery in sales and profitability. The two cousins of the MD (Clive4 and David4) became directors in the early-2000s after each serving more than ten years in the company. The Holding Board oversees the business at a strategic level and currently consists of the five family members plus two non-family directors. With the Chairman now in his seventies and the MD approaching retirement Star-Textile is beginning to consider the transition to the next (fourth) generation. At the time of interview there was no clear plan about who would take over nor how the transition would be managed.

4.4   Pilot case findings

The data analysis process outlined in section 3.7 was followed for the pilot case and subsequent cases. In brief: Step 1 - case narrative construction, Step 2 - initial coding, and Step 3 – identifying categories and relationships. A data structure diagram is provided in Figure 4.2 to represent the initial concepts and themes to emerge from the pilot. At this pilot stage the analysis was preliminary in nature. The table at Appendix 13 provides representative quotations that augment those used in the body of the text to illustrate the emergent concepts and themes.

Figure 4.2: Star-Textile summary data structure

1st Order Concepts

- Importance of privacy and confidentiality
- Ethos of independence
- Incumbents sought external input re. succession but prospective successors look primarily to family members for advice/support

→ **2nd Order Themes**

Importance of privacy & generational differences in openness to external input

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- Critical close and multidimensional relationship between incumbent and prospective successor (uncle-nephew)

→ Strong incumbent-successor relationship

- Made connections through existing networks to identify sources of support & advice re. the succession
- Two types of external relationships utilised by incumbents:
  - 'Father figure' who became a close friend, based on trust, respect and breadth of relevant experience. Strong tie but intermittent contact over period of years. Personal dimension to the relationship, including deep understanding of the complex FB dynamics
  - Business-focused consultancy/professional services procured for limited period to serve particular purpose
- Importance of trust as a dimension of external ties drawn upon in the succession context

→ Nature of relationships with external individuals influenced succession process

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Various resources accessed from external ties to support the succession process:
- Experience-based advice
- Assisted with issue identification & analysis, and development of solutions
- Triggered thinking and action
- Endorsed aspects of planning – legitimization & reassurance

→ Tie function & utility: multiple resources through external ties to support succession

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- Separation of components of transition – clarification that ownership and future transfer of control separate issues
- Establishment of formal & informal structures to manage relationships with and between shareholders in next generation
- Initiation of educational & integration process to bring next generation into working in the business
- Firmed up commitment to principle of meritocracy

→ Tangible impacts of external relationships on succession process and outcomes

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4.4.1 Openness to external input and incumbent-successor relationship

Individuals in different generations turned to different sources for advice and support in relation to succession. The incumbent generation looked externally as well as to family. In contrast, the prospective successor and other family members coming into the business sought guidance from their closest relatives, including parents and spouses. A particularly strong, multidimensional and important relationship that was that between Adam2 (the most active of the brothers in day-to-day leadership of the business) and Bill3, his nephew, who took over as MD:

> "And, you know, all the way through, it was [my uncle – Adam2] who came and talked to me… And really, you know, carrying on the mentor bit…I always find that you sit down with [Adam2] over a cup of tea and just, you know, talk back and forward about major strategy, what to do… There was the relationship as an uncle, and that, from very early days, going back into the '60s, we ended up going to the same boarding

schools and things like that, sort of followed the same line. So there's the sort of family, then there's his role as uncle. But I would say primarily it's the work, the workplace role is really where it's strongest…it's a very, very solid relationship." [Bill3 - MD]

This strength of relationship between incumbent and successor aligns with the literature which identifies it as a critical component of successful intergenerational succession (Gersick et al., 1997; Cabrera-Suarez et al., 2001; Brockhaus, 2004; Venter et al., 2005). The internal orientation of the prospective succeeding generation appeared to be connected to an ethos of privacy and independence within the FB:

"…we've been described as 'fiercely independent' and I think that's probably quite a good summation…And I think, at times, we had discussed whether you bring on non-execs onto the Holding Board and I argued no..." [Bill3 - MD]

Many FBs are, of course, keen to protect their privacy and retain independence (Roessl, 2005; Arregle et al., 2007). In Star-Textile the preference for privacy in terms of the succession process seemed to have been compounded by the circumstances of the transition. With the company facing financial crisis the position of the professional CEO had become untenable and, in the end, things unravelled rapidly, resulting in a rather hurried transition even though it was something the brothers had been thinking about for some time. In their view the situation made it impossible to engage with anyone external:

"Because I couldn't, you know, I couldn't go to other people and talk about it, because it was so, so confidential at that stage… no-one outside [the immediate family], no. Because it was, it's hard to say how sensitive it was at the time." [Bill3 - MD]

There appeared to be a lack of trust among the younger generation towards people outside the family in terms of talking about succession. In contrast, the older generation had some interaction external actors as part of planning for the transition.

4.4.2 Relationships with external individuals

There were two main interactions identified by Star-Textile interviewees as having impacted on how the succession was managed. The first, identified primarily by Adam2 – Chairman but also noted by the other interviewees, was advice from a management consultant. He came from their existing firm of

auditors and specialised in advising FBs. Thus it emerged out of an existing relationship so there was some existing basis of KBT (Lewicki & Bunker, 1996). Adam was already working with the consultancy on audit matters so there was an element of him being able to 'roll over' his expectations from a well-established relationship to this other consultant about whom he did not yet have sufficient knowledge (Uzzi, 1997; Kramer, 1999). It was a contractual relationship with one individual involving several meetings and exchanges of correspondence over a period of a few months.

The second external relationship judged to have had an impact on the brothers' thinking about the transition was with an individual who was a pensions consultancy manager. In the first instance he had approached Star-Textile seeking business but the relationship progressed significantly and he became close to all the brothers, developing a personal friendship based on trust and respect. Over a period of about fifteen years the brothers had ad hoc informal family chats with this friend:

> "There was another interaction that we had, which was quite meaningful at the time - a company called [name]. The guiding light there was a man called [name]. He set up various pension schemes for us but it was not that aspect that I was concentrating on; it was more the sort of informal chats with him, because he was kind of like a father figure…and talked with great experience about how other companies were, you know, responding to issues, succession and so forth." [Adam2 - Chairman]

Again, the relationship developed from an existing connection, therefore, there was some basis of KBT (Lewicki & Bunker, 1996) to provide the brothers with an initial sufficient level of trust to bring this individual into the succession process deliberations.

The two relationships suggest different types of engagements that FBs may enter into in seeking guidance about succession. The second one was described by Adam as one that evolved into personal friendship. Interestingly he used the term "father figure" and noted that "you could have a real family chat with him." This suggests that, at least in this particular FB context, a relationship approaching a similar level of trust and closeness that was characteristic of the family relationships was necessary to be involved in an influential way in the succession process. The relationship was based on a recognition of the individual's relevant experience and his personal capabilities, but it also had an

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affective element. Indeed, Adam drew a distinction between this relationship and the other consultancy based one:

> "I think anyone you can have trust in and have, you know, see them as a mentor and advisor, rather than a sort of corporate consultant, you know, is a good thing." [Adam2 – Chairman]

Thus the concept of trust emerged as a dimension of the nature of the network ties that Star-Textile drew upon in relation to succession. The relationship with this individual appears to have developed along the trajectory posited by Lewicki and Bunker (1996) from a CBT to a KBT and then an IBT. Through repeated interactions and appreciation of his competence, the brothers developed a relationship based on affective as well as cognitive-based trust (McAllister, 1995), characterised by reciprocated interpersonal care and the exchange of a broad array of resources and mutual loyalty (Rousseau et al., 1998).

Adam explained how he and his brothers did not form the same depth of personal connection with the consultant:

> "I mean, I wouldn't have particularly warmed to him, as an individual, but I think what he was talking to us about made sense... And maybe the fact that we didn't warm to him, was another reason why we didn't want to use him to interview shareholders and so forth…" [Adam2 – Chairman]

This could be characterised as much more of a business-focused professional services type interaction. Indeed, Adam emphasised that the relationship was curtailed once "they got enough from him" to enable them to proceed themselves. Cost was a factor in this decision but more important was the absence of a personal connection and the belief that the consultant had failed to understand the complex dynamics of the business and family. This was in contrast to the relationship with the friend/mentor who the brothers felt understood the company and family's dynamics as well as being genuinely committed to achieving the best outcomes for the FB. Drawing again on the trust literature, it appears that the network tie with the consultant can be characterised as grounded in a calculus- and knowledge-based type of trust deriving from the potential rewards associated with preserving the trust and credible information regarding the competence of the consultant (Lewicki & Bunker, 1996; Rousseau et al., 1998). Nevertheless, despite the lack of depth of

the relationship the consultancy external tie contributed to the pattern of succession.

4.4.3 Function and utility of external ties

In different ways the external ties assisted the brothers with issue identification and, to some extent, issue analysis. The consultant provided ideas on possible solutions to manage the transition challenges based on his experience with other FBs. In addition, the external ties both played a role in triggering action by the family. While the brothers had done some initial thinking about the need to bring in the next generation, there was no clear plan about how to do this nor had they faced up to the complexities involved in managing the integration of more family members as shareholders:

> "I think it was a trigger that made particularly the three of us, [names], the three brothers, think actively about what we needed to do. Rather than just being something, which we'll do, you know, next month or next year…Reinforcing the message, I think…the need for thinking about relationships between family members. That's one thing that [consultant] is very- was very keen on and- and we addressed or tried to address it, through the shareholders' council. A lot of family companies brush the thing, you know, under the carpet or they ignore it, you know, put their head in the sand, and think that succession is going to happen automatically some way or another, magically. Everyone was saying, 'That's the worst thing you can possibly do. You've got to grasp the nettle…'" [Adam2 - Chairman]

The consultant also provided a degree of legitimisation. The exchange of correspondence indicates that the consultant recognised the efforts the family had already made in terms of initial succession planning and broadly endorsed these:

> "I was impressed by the thoughts that you and your brothers already have regarding the future and the fact that you are well aware of many of the issues which a family business such as yours faces…[succession planning] is well advanced in this area and frankly far further advanced than most family controlled businesses." [extract from letter from consultant to Adam2 - Chairman]

The brothers were reassured that their thinking was on the right tracks and in line with the approach taken by other FBs. This helped give them the confidence to address the remaining work relating to the transition themselves rather than engaging the consultant further.

Various resources were flowing across the external network ties identified in the pilot case, suggesting that tie content may be understood, at least in part, by what flows across the connections and different types of ties may fulfil different functions. In looking at entrepreneurs' ties Jack et al. (2004) concluded that different types of ties fulfilled different functions. However, this is an argument which has received little attention in the relational embeddedness literature. The notion of tie function and utility was therefore identified as an avenue worth pursuing in the analysis of subsequent cases.

4.4.4 External tie impacts on succession

The consultant helped the brothers recognise that the question of ownership and the future transfer of control were separate issues. As a direct result the brothers set up structures to manage the family shareholder relationships:

> "And it was he [the consultant] who suggested the idea of setting up a formal relationship with the rest of the family and encouraging through a council, sort of social gatherings and that sort of thing, as well as formal reporting. So we've been trying to do that." [Adam2 - Chairman]

The consultant's input also initiated the integration of the three members of the next generation who were working in the company on to the Holding Board to begin their exposure to the strategic decision making:

> "…they actively solicited advice…certainly, the transitioning of third generation family members onto the board and the Shareholders' Council were direct consequences of them soliciting that advice." [Clive4 – US VP]

Therefore, even though it was perceived as a time-bound contractual relationship, the pattern of the Star-Textile succession process was influenced by the interaction with the consultant. He helped the brothers understand their responsibilities at that juncture in terms of planning the transition, as well as focusing their attention on important issues requiring action.

At least one of the brothers held the view that family members should have some level of preferential treatment in terms of progressing in the business. However, by emphasising the importance of meritocracy, the consultant helped firm up the commitment to meritocracy and thus shape the succession process:

> "…what he was pointing out is the importance of- if you were bringing family members in that they are brought in on a fair basis. In other words, not on a preferential basis… [so] we've stuck with that…I think there might have been a feeling, with my brother [name], that anyone who was a member of the family should come into the business automatically, if they wanted to. Which I would have been very much opposed to on the basis that people should only be appointed on merit and that was the fundamental standpoint from [name of consultant] and I was able to use that as a bit of a lever…" [Adam2 - Chairman]

The two external relationships that Star-Textile drew upon had a discernible influence on how the succession process unfolded through stimulating thinking, guiding attention, triggering action and providing endorsement. Thus, the pilot confirmed the need to look beyond the dominant assumption in the FB literature that all the key dimensions of the succession process lie within the boundaries of the family and FB. Furthermore, it indicated the relevance of the concept of embeddedness as articulated by Granovetter (1985) in that succession is socially situated and embedded in ongoing patterns of social relations. The two external relationships could be understood, at least in part, in terms of whether they were business-focused or also had a personal dimension and in terms of differential bases of trust. This suggested that examining trust as a key dimension of network ties might offer an interesting avenue to explore in the other cases.

Another dimension highlighted by the pilot related to the conceptualisation of strong and weak ties. The strong tie with the individual who became a mentor and friend was characterised by intermittent rather than frequent contact. This contrasts to the position of Granovetter (1973, 1985) that frequency of contact is a key feature of strong ties. In addition, this tie acted to open the door to new thinking and novel information for Adam and his brothers, functions conventionally identified as characteristic of weak, rather than strong, ties. These challenges to the dichotomous strong/weak tie conceptualisation have been raised by Jack (2005) in relation to entrepreneurs' ties and the pilot case indicated that this was an area requiring further exploration.

4.5   Pilot study conclusion

As noted in section 3.8, the pilot resulted in several important refinements to the methodology. Undertaking the interviews with the Star-Textile family members indicated the need to amend aspects of the participant consent form and

interview schedule, as well as the importance of gathering contextual background information. The pilot highlighted the challenges of gaining access and resulted in a change to the sampling criteria to encompass a longer time frame within which intergenerational succession could have occurred. Doing the pilot helped me hone my interviewing skills and conclude that a manual coding process was to be adopted. Analysing the pilot case data provided helpful signposts to concepts and themes of potential interest within the main study sample. These included consideration of the degree of family openness to external input, attitudinal variations between generations, the nature of cross-boundary relationships influential in the succession process, and how external actors impacted on succession patterns and outcomes.

Chapter 5

5 LUXJEWEL

Following learning from the pilot study described in chapter 4, the in-depth case studies were carried out employing the methodology outlined in chapter 3. This chapter presents the first in-depth case study which focused on the LuxJewel FB. Company summary information is followed by a case description setting out the company history and family involvement. A data structure diagram is provided followed by detailed discussion of the findings that emerged from this case.

5.1 LuxJewel characteristics

Table 5.1: LuxJewel characteristics	
Year founded	1950s
Sector/industry	Jewellery retailer
Locations	3 NI stores & online business
No. employees	c.90
Financial information	Turnover c.£13m & operating profit c.£0.9m (ye Feb 2013)
Ownership	100% family owned. Two shareholders in the second generation - Executive Chairman (EC) majority shareholding
Generation in leadership	EC (2nd gen); MD and Marketing Director (3rd gen)
Active family members/ generations	As above plus the other 2nd generation shareholder attends Board meetings but has no other role in the business. The wife of the MD works in the business but not in a management role.

Figure 5.1: LuxJewel family involvement chart
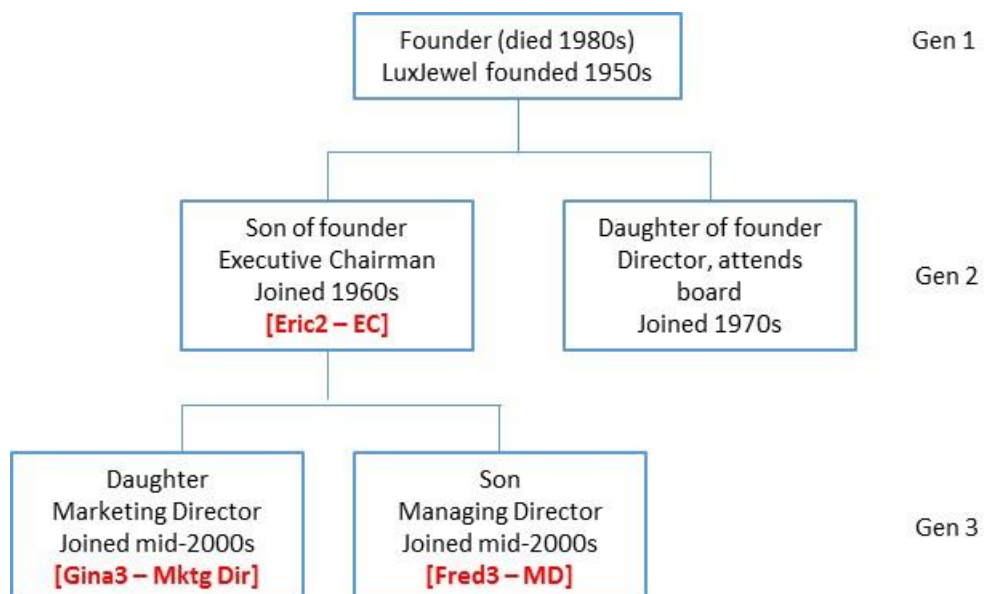
Table 5.2: LuxJewel interviewee characteristics

	Eric	Fred	Gina	Harry	Ian	Jake
Current position	EC	MD	Marketing Director	Indep. accountant	Indep. business consultant	Indep. business consultant
Length of time in firm	c.50 years	c.8 years	c.8 years	Has advised the firm/ family for years	Advised firm for c.6 years. Was a Non-Exec on LuxJewel Board c.2007-12	Worked with firm several times during 2011-12
Family position	2nd gen – son of founder	3rd gen – son of EC	3rd gen – daughter of EC	n/a	n/a	n/a
Age	60s	30s	30s	50s	60s	60s
Gender	Male	Male	Female	Male	Male	Male
Education	No third level education	University & trade specific training US	University	University & Chartered accountant	Qualified psychol-ogist & business degrees	Civil engineering degree
Work experience outside FB	Two years training in the trade abroad shortly after entering the firm	Worked in the same sector abroad for a few years	Worked in a different industry for a few years	Career accountant	Director in the utilities sector for 20+ years & since has run a business consulting firm	Engineer & MD roles in utilities sector for 20+ years. Various business consulting roles
Interview location	Office	Office	Home	Office	Pub	Pub

5.2   Company information

LuxJewel is a third-generation family-owned jewellery business. The business is focused on the NI market, selling luxury brands in-store and online, as well as carrying out repairs and servicing. The business grew gradually in the 1950s-80s and then rapidly in the 1990s-2000s; it employed c.40 people in 2002, rising to c.110 by 2007. However, the global recession hit the business severely and redundancies ensued. The accounts indicate that the company continues to face challenges, both in terms of its financial position and trading performance given the prevailing low growth conditions in the NI economy.

The LuxJewel Board includes four family members: Eric2 - EC, Fred3 – MD, Gina3 - Marketing Director, and the daughter of the founder who is a director but holds no role in day-to-day operations. The Board has three non-family members: Finance Director, Operations Director, and Commercial Director. There are currently no Non-Executive Board members, although there was one for the period c.2007-2012 (Ian[8]), who was initially involved with the company as a consultant. All the shares are currently held by the second generation, with Eric the majority shareholder. The intention is that the two second generation family members will leave their shares divided between Eric's two children, so that Fred - MD will have a slight majority shareholding. The firm has an ethos of internal transparency, with non-family as well as family managers having access to company and financial information.

5.3   Company history and family involvement

LuxJewel was founded in 1950s by the grandfather of the current MD as a small jewellery shop. The founder had two children relatively late in life; a son and a daughter. His son (Eric2 - EC) entered the business straight from school in the early 1960s. He then went away for two years to gain experience in jewellery businesses in England and Switzerland. Eric explained that his entry into the FB was not a planned process:

> "There was really no organised procedure for me acquiring a stronger role in the business. It just sort of happened over a period of time, which is quite different from how it evolved whenever the next generation came into the business…when I was 16 my dad was quite ill and…my Mum suggested that I ought to go into the business and I was quite happy to do so. So it all happened in a flurry and there wasn't any particular succession plan that I was aware of cos it was never really talked about. So I really went in because he wasn't very well. Once I came back over the next ten years I just got more and more involved in the way the business was running." [Eric2 – EC]

The founder recovered and continued to run the business for a number of years while his son became increasingly active, including becoming a director. Eric gradually took control of operations in the 1970s, although his father remained involved. The founder's daughter came into the business on the stock control

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side and also became a director, a position which she still holds. However, she has never been involved in the strategic decision-making and now has no formal role in the business other than attending Board meetings. The founder died in mid-1980s. From the 1970s to 1990s the business grew, including expansion of premises and opening of additional stores. A venture with another entrepreneur was created to manufacture diamond jewellery. LuxJewel now owns one third of the shares in this jewellery manufacturing business.

In the early 1980s the son of the founder had two children; a daughter and then a son. Neither initially showed interest in entering the business and their father insisted that he did not pressurise them to join:

> "I said to our kids that there's going to be no compulsion for you to go into the business and if you want to come in you've got to be good enough. Otherwise you should just sit back and let the best people run it and take your dividends from the business. But at the end of the day they both wanted to come in." [Eric2 – EC]

The interviews with his children confirmed this position:

> "Dad never put a pressure on that was strong, never. He may see it differently, I didn't see it that way at all...There was never any pressure with me at all which made it a lot easier." [Fred3 – MD]

As part of his university course Fred3 - MD had to complete a year in Spain. However, he struggled to get a job and therefore his father used his contacts to secure him an internship with a leading Spanish jeweller. Fred had been determined to escape 'the shadow' of his father and, 'despite trying really hard in the first two or three months not to like it', he changed his mind and he became keen to enter the jewellery trade and the FB. Therefore, after graduating he returned to NI and worked in the FB for a few months before going to train at the Gemological Institute of America (GIA), the globally recognised training centre for the jewellery trade. During his time there he met his wife, a fellow student, and she now also works in LuxJewel in a non-management role. After the GIA Fred got a job in the jewellery department of a London auction house and worked there for two years. This was seen by both father and son as part of the process of gaining external experience as a basis for formally entering the FB. Fred came into LuxJewel in the mid-2000s in a middle ranking sales position. He then graduated to Assistant Manager and then Store Manager.

The daughter of Eric2 – EC, Gina3 – Mktg Dir, completed a business degree and then a Masters. After this she worked in the recruitment industry in Scotland for a few years before joining the FB in the mid-2000s. Gina took on a marketing role, although only after some debate because her father had wanted her to take on a buying role. There was further debate about whether she could take on a more substantive role in the business given that she had now moved back to Scotland (due to her husband's work) and commuted two days a week to the business in Belfast, working remotely the remainder of the week. However, this arrangement proved to be feasible and she ultimately became a director in 2010 and Marketing Director in 2012.

Thus the transition to the next generation involved both children, however, it was the younger male child who had been trained as the future MD and took over this role at the relatively young age of 30. At this point Eric who was 65 years old stepped back into the Executive Chairman role. He had identified reaching 65 as the milestone at which he wanted to reduce his involvement and therefore this was the key driver for the timing of the succession. The EC role includes chairing the Board as well as focusing on a small number of strategic projects aimed at further developing the business. His son (Fred3 - MD) noted that his father was 'still very much the boss in the business' while he was in a role where he was 'still establishing' himself. At the same time Fred recognised the scale of his operational and day-to-day leadership responsibilities. Gina provided an insight to how the children perceive their father's EC role:

> "Dad's quite funny in that Dad will say whenever it suits him, 'well I don't really need to know that and I'm Chairman and blah blah blah. You know, that's really [the MD's] to sort out' if he doesn't really want to do it or he doesn't think it's important enough. But if he gets a bee under his bonnet he can still kick shit about like, you know, there's no tomorrow. So I think stepping back to Chairman has given him the luxury maybe to see more of what's going on and to zoom into things that he wouldn't have maybe seen as MD... so he's still very much involved but I think has learnt to sort of pass things on to [Fred3] and to me and the rest of the directors if it suits." [Gina3 – Mktg Dir]

Both Fred3 and Gina3 seemed to be content with the way things were currently working, emphasising the experience and innovative thinking their father continued to bring to the business. This was a view echoed by Harry, the LuxJewel external accountant and family friend:

> "The firm is still, I would say, directed and strategically run by [Eric2 - EC], he still has a very heavy guiding hand on where the firm should be going. And [Fred3 - MD] isn't just quite at the position yet where he's ready to do that, I believe. And I believe he doesn't want to do it at this point in time, I think he's quite happy - not happy, he is content - that his father participates to the extent that he does participate at the moment…"

It is likely that as the children mature into their roles they will want more freedom to lead. If this is not forthcoming it could be a source of tension, as has been in the case in other FBs where the incumbent has failed to adequately 'let go' (Levinson, 1971; Lansberg, 1988; Dyer & Handler, 1994; Handler, 1994; Filser et al., 2013). Thus the LuxJewel transition could be characterised as one that is well advanced but not fully completed. Furthermore, as noted earlier, ownership of the business remains with the second generation. The LuxJewel transition aligns with the emphasis in the literature on FBS being a complex and multistage process over a period of years (Stavrou, 1999; Cabrera-Suarez et al., 2001; Lambrecht, 2005; Filser et al., 2013).

The transition of management responsibility was conceived of by Eric as a structured and planned process. He went to some lengths to obtain independent advice and validation that his son was the right person for the MD job and his daughter had the capabilities to be Marketing Director:

> "I had some things I wanted advice on…the roles our kids and what was the best thing to do for them. Also, I just wanted to find out if my senior management were in the right roles and what [Ian – consultant/NEBM] thought about that and a little bit about the structure of the business… Well the psychometric test is available in various formats but what he was looking at was the characteristics, the skills, the abilities, the weaknesses of our management team and who was in the right slot and who was in the wrong slot." [Eric2 - EC]

Nevertheless, the daughter expressed her feelings that issues of gender played some role in the decision to make her younger brother MD:

> "…you know, we're all actually quite lucky to be honest that I'm living in Edinburgh because there's no way that I could run a business from Edinburgh…but I've probably no illusions that if I was to be in Belfast that things would be the same anyway. That we are in that sense very traditional… I've absolutely no doubt that if you leave everything open it would be the boy." [Gina3 – Mktg Dir]

In the discussion with Eric it appeared that he was unaware of or, perhaps, refused to acknowledge, these emotions of resentment and perceived lack of recognition on the part of his daughter. Despite these sentiments, all the interviewees commented on how the succession had been managed relatively smoothly:

> "I think [the succession] has been accomplished with a minimum of rancour… The reflection would be that it has been accomplished relatively comfortably in very trying times, very trying times." [Eric2 - EC]

5.4   Findings

A summary data structure is presented in Figure 5.2 to represent the first order concepts and second order themes that emerged from the LuxJewel case study. Additional representative quotations are provided at Appendix 14.

Figure 5.2: LuxJewel data structure

Differing incumbent-next generation relationships:
- Between incumbent and main successor: close, legitimation
- Between incumbent and daughter: perception of gender issues

Content for the moment with incumbent's continued active role

→ Varying nature of familial ties impact on succession process

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Strong ethos of learning and openness to external thinking

Wide range of external stakeholders considered to have influenced succession, including experiences of other family businesses

→ Valued external input – multiple stakeholder nature of succession process

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Cross-boundary relationship initiation phase:
- Drew on existing network ties to identify sources of support re. succession
- Strong as well as weak ties bridging to new contacts and information
- Important role of third party connecting ties
- Trust key factor in determining who brought into the succession process and to what extent their input embraced

→ Existing ties utilised to extend network to trusted others to support succession

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Multifaceted resource flows from external ties to support succession process:
- Impartial and experience-based advice
- Issue identification & analysis
- Solution development, incl. facilitating role change
- Broadening perspective & triggering wider action
- Convincing, validating & reassuring
- Tempering emotions & tensions
- Mentoring & supporting personal development
- Involvement of non-family managers

Strong ties provided greatest breadth of resources

→ Tie utility: multifaceted resources accessed through external ties to support succession

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Multidimensionality of key external tie relationships:
- Relationship with more than one family member
- Deep understanding of family and firm dynamics & commitment to their long-term success
- Strong basis of mutual respect & personal dimension
- Development of strong trust bonds

High frequency and long duration of contact not necessary for development of strong ties.

→ Richness, depth and trust-based nature of key network ties relevant to succession

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Specific impacts of external ties on succession process:
- Persuaded incumbent of need to view succession as part of wider programme of organisational change
- Drove implementation of wide-ranging structural and relational changes to support transition and development of the business

Recognition of significant contribution of externals to successful transition

→ External tie impacts on succession: establishing scope & structures/processes

5.4.1 Incumbent – next generation relationships

The discussions with Eric2 – EC and Fred3 – MD indicated that there was a particularly strong relationship between the father and the son. Fred stated that 'my dad is my best friend' and stressed the openness of dialogue between them:

> "…my father's been the most positive influence in my life and I don't mean that in a cheesy way, it's very true… I always had Dad to really talk to if I'd had any concerns…No stone was ever left unturned, or, you know, I always felt that I could talk to him about it, which was really important as well. So if anything was in my mind I would go up and see him, anything. And same with him as well." [Fred3 - MD]

In contrast, the daughter described a different relationship with her father. While she saw the relationship as close, she perceived the emphasis to be on the domestic dimension:

> "I've a very close relationship with my Dad and he's absolutely super at saying '[Gina] that's a delicious meal' or 'you're such a good mother' or 'you're such a good wife' or 'you've such a lovely home' and it's a bit more difficult to get that out of him on the business. And it drives me crackers… I think maybe it's nice to be needed and recognised". [Gina3 – Mktg Dir]

Again there is a gender dimension to the FB experience, or at least Gina3's interpretation of the experience. This was compounded by resentment that she had to struggle to make the case for her promotion to director:

> "… I sort of wish that I hadn't had to sort of say to Dad that I wanted to be Marketing Director. I wish he'd sort of decided, you know, I'm going to make you Marketing Director. I think he was wholly focused on the succession being [Fred3]…I sort of wish he had been a wee bit more open with it...." [Gina3 – Mktg Dir]

There appeared to be differing types of closeness and trust, partly due to gendered views, underpinning the relationships between the father and his two children.

5.4.2 Openness to external input

As well as intra-family dynamics, external actors had a role in shaping how the LuxJewel succession was planned and managed. This impact reflected the ethos of learning and openness to external thinking that characterised the business.

Eric2 - EC was particularly influential in this regard with his long-standing preparedness to seek outside advice, as identified by his daughter:

> "I think Dad's been really good about how he steered the process; that he's taken advice and a lot of people are maybe just too arrogant to bring outsiders in. In the first place, why do we have to pay for it but more why should someone tell me how to run my business? I think that's been enlightening for all of us and certainly opened our eyes to what we should be doing. So I think without that we'd be in a very, our business would be in a very different place..." [Gina3 – Mktg Dir]

Eric recognised the value Non-Executives could bring to the Board, something not shared by all FBs (Voordeckers et al., 2007; Bammens et al., 2011). He was also a member for many years of an organisation called Vistage[9] from which he derived significant benefit through getting impartial advice in a confidential setting:

> "Being able to get advice from people who didn't have an angle. If you go to your family, they are very supportive of you, if you go to your accountant, you know, they're pretty supportive of you as well, but if you have an issue and you want to get really good advice that is totally straight down the middle this is [a] unique organisation that provides that advice. I've found it very useful." [Eric2 - EC]

Fred was now a member of Vistage and shared his father's enthusiasm for the learning opportunities it provides. Both children also referred to the learning they had taken from their career experiences before joining LuxJewel and exhibited a readiness to reflect on how these contributed to their personal development. They acknowledged that these experiences had influenced their approach to the FB, including transitioning into the leadership.

Another indirect external influence on how the family members thought about and managed succession came from their awareness of the experiences of other FBs. This reinforced Eric's view that he needed to plan the succession carefully and that there needed to be one single member of the next generation in charge:

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[9] Vistage has been operating globally since 1957 with a focus on improving the effectiveness of business leaders by bringing together MDs, CEOs, executives and business owners into private advisory groups. In a Vistage group, about a dozen executives meet each month to discuss their challenges and solve strategic, operational and sometimes personal issues. (www.vistage.co.uk)

> "I know another terrific jewellery family business as well which has got similar problems. Somebody has to take it by the scruff of the neck, somebody has to own it and manage it and make sure that it works well because too many cooks spoil the broth and that's the big problem in family businesses as well as, of course, having the right skills. Others have fallen by the wayside because they've got people who aren't capable of running them making decisions..." [Eric2 - EC]

Interestingly, Eric identified a particular conversation he had with a member of a FB as having influenced how he thought about the potential roles for his children:

> "…I got to know [name of two individuals in a FB]…whenever I was heavily involved in the Chamber of Trade and those two guys…well, [name] said to me 'you know, I never really wanted to go into retail but it was a big family business and I just felt I had no alternative.' And that remark struck me very strongly – to spend your life doing something that you didn't particularly want to do because you were obliged to do it by the family. I just swore to myself that if I ever had a family that I wouldn't be forcing them down that road. And as our kids grew up I made it very clear to them that there was no obligation whatsoever for them to come into the business." [Eric2 – EC]

Eric mentioned this conversation several times, suggesting the influence it had on his thinking despite being just one remark. Nevertheless, it was not just a remark from a random individual; it came from a person within his personal network with whom he had developed a relationship and who was a member of a FB that he respected.

5.4.3 Existing ties utilised to extend network to trusted others

Connections to other individuals who proved influential in shaping the LuxJewel succession were also made through Eric's networks. He took advice from two London-based accountancy and legal firms on various technical aspects, including the share structure, and the recommendations for these firms came from friends in the jewellery trade. The introduction to Harry - external accountant, who subsequently became a long-standing financial advisor and friend and who helped shape the succession experience, came through a contact in the Vistage group. These connections reflect a typical function of weak ties acting as bridges to new contacts and information (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2003; Jack, 2005).

It was through his charitable work – another important facet of Eric's network activity – that he made the connection with Ian – consultant/NEBM, who subsequently had a major impact on the succession process:

> "And, I was a sort of founding director of that [charity] organisation and one of the Board Members was [name] of the [name of business]. And I just heard that [Ian - consultant/NEBM] had been very closely involved with the group…which now is a huge international business…but his forte was people and he sourced a lot of their MDs and key people within the company. So he was very involved in the growth of that company. And I felt, well, this is maybe a guy who could help me because I just wanted to make sure that we had the right structure to move on." [Eric2 - EC]

The business with which Ian was working was a successful FB operating globally and thus it was one that Eric respected. Importantly, he also personally knew one of the key family members through their mutual charitable work. Therefore, it could be argued that this personal recommendation, combined with aspects of institutional-based trust (Zucker, 1986), enabled the initial development of this ultimately important network tie. Eric could have some basis for expecting that the consultant would behave in an anticipatable way that would be helpful to him. There is relevance in Uzzi's (1997) notion of third parties acting as important 'go-betweens' in new relationships, enabling individuals to 'roll over' their expectations from existing relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust.

Once Ian - consultant/NEBM was working with LuxJewel, advising on the business structure and succession plan, he rapidly developed a close relationship with all the family members. In his role as effectively internal consultant he made connections with other external advisors to bring them in to assist LuxJewel handle the succession. For example, he brought in Jake to act as a mentor to one of the non-family managers as well as to Gina. As discussed below, these other external actors influenced the succession process. Thus Ian had an important role in making connections to other individuals who had the appropriate skills and experience, and who would be accepted and trusted by the LuxJewel family members and staff. Again the notion of 'roll over' or third party inspired trust (Uzzi, 1997; Ferrin et al., 2006) as at least part of the initial

basis for the relationships can be discerned. Indeed, Gina3 – Mktg Dir quickly opened up to Jake in their mentoring relationship and she identified these interactions as helping her significantly in her transition to director. Ian therefore played an essential role as a strong tie who performed a bridging function to new people and information, a role conventionally associated with weak ties (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2003; Lechner & Dowling, 2003; Jack, 2005). The LuxJewel case suggests that in the way family members drew on their networks to involve outsiders in the succession process trust was a central factor in determining who was brought in and to what extent their input was embraced.

5.4.4 Tie utility

To better understand relational embeddedness it is helpful to explore what resources were accessed through the external relationships and how these were used to support the succession. A key resource Eric elicited from external sources was objective advice. One of the main sources was Ian - consultant/NEBM:

> "So I met with him [Ian] and I told him I was…I had some things I wanted advice on…first of all the roles of my…the roles our kids and what was the best thing to do for them. Also, I just wanted to find out if my senior management were in the right roles and what he thought about that and a little bit about the structure of the business. [Eric2 - EC]

An important aspect of the advice from Ian was that it drew on his experience with complex FBs and involved the use of independently validated approaches. For example, the psychometric testing of the incumbent's two children as well as the senior managers to assess their capability to take on the firm's leadership provided reassurance for Eric in the validity and legitimacy of the process. This was important in terms of facing his non-family managers and Fred also took confidence from it:

> Interviewer: "Now that you're two plus years in, have you any reflections on the succession process?"
>
> "…Great thing about [Ian - consultant/NEBM] was, you know, he wasn't just in to bring me on as MD, he was in to figure out who was going to be the MD because it might not have been me; might have been [Gina3 – Mktg Dir]; might have been [names of non-family managers]. You

know, it was about, it wasn't about bringing the next generation through; it was about finding the right person. And Dad went through all of that paperwork with me and showed me, you know, why I was the right one which gave me huge amount of confidence." [Fred3 - MD]

The way Ian became integrated as a type of internal consultant and a Non-Executive board member meant he fully understood the subtle dynamics of the firm, the personalities and the succession and could therefore give appropriately tailored and timely advice. He occupied an influential position in that he was a trusted member of the LuxJewel team but also an independent outsider offering objective advice. Jake similarly identified the dimension of objectivity as being important in his mentoring role:

> "…why third parties outside can be useful. Because we're not invested in it. We might like the people and we want the business to succeed enormously, but actually we're not personally invested in it…so that psychological distance, I think, is one of the most beneficial aspects, of that external advice…" [Jake – external mentor]

Similarly, the input from Harry (external accountant) shared this aspect of impartiality, taking the form of professional financial advice in relation to the succession. A further important source of impartial and experience-based advice identified by the LuxJewel interviewees was Vistage. Harry attributed Eric's engagement with the organisation as a critical component of how he handled the succession:

> "I think [Vistage] influenced, I think they strongly influenced the level of training that [Eric2 - EC] made sure [Fred3 - MD] got before he got the job. I'm not sure that they influenced the actual position becoming available to [Fred3] but I think it influenced the way in which it was done and the tools with which [Eric2] equipped [Fred3] to take on the role…with regard to the amount of time and effort and training [Eric2] put in to make sure [his children] and I think they influenced him greatly in that". [Harry – external accountant]

Eric also sought specialist accountancy and legal advice. These were short-term contractual relationships for professional advice on specific technical aspects of the succession. Eric recognised these inputs as also making a contribution in terms of ensuring the underpinning company structures supported what he wanted to achieve with the succession:

"Well, the legal advice was absolutely essential…the gaps they found, the things that needed to be tightened up and changed. So that was critical…the advice I got was excellent…ended up in redrafting part of our articles and bringing those up to date of the company. So it was beneficial in terms of a real clean up as far as the company was concerned. So that together with the work that [Ian] did really stirred the pot and laid a much better foundation for the company." [Eric2 - EC]

As well as advice, the external network ties drawn upon by LuxJewel served to broaden Eric's perspective about the succession process and trigger action on a wider front.

"And [Ian - consultant/NEBM] said that after having talked to you I think we need to take this further and I think you should be doing all these various things…Every single thing I'd mentioned he'd put down but he said 'I think we ought to go further...'" [Eric2 - EC]

This external input convinced Eric to conceive of the succession as needing to be part of a wider business change agenda, which ultimately provided a much stronger foundation for the transition than might otherwise have been the case. It also helped ensure that adequate planning was undertaken on all aspects of the transition, including the critical people-related issues. In this way the external advisors assisted LuxJewel avoid a common mistake of many FBs of insufficient planning (Cromie et al., 1995; Brown & Coverley, 1999; Janjuha-Jivraj & Woods, 2002; Malinen, 2004).

A key part of Ian - consultant/NEBM's role was assisting with issue identification and analysis. Through discussions, staff surveys, and psychometric tests he analysed all aspects of the business, including those which needed addressed as part of the succession process. Fred3 – MD credited Ian's input as essential in guiding the family's attention to particular issues and helping to pre-empt these:

"You know, it's a big change for Dad, big change for me, big, big change for [Gina3]. And then you think everybody just outside of that…so many people in the organisation…if we hadn't of had that support from the outside, God, it would've been, not that it would have been a mess. But it would have been a lot trickier because [Ian - consultant/NEBM] knew all of the pitfalls and all of the issues that could come up and whereas we would've gone into it fairly blind, although we

would've tried to prepare, you know, he was really able to steer us."
[Fred3 -MD]

In his role as mentor to Gina, Jake (external mentor) also acted to help his mentee identify and analyse pertinent issues. Furthermore, he identified issues through these discussions which he then informed Ian (as the consultant in the lead role with the firm) needed addressing. For example, he identified tensions in the sibling relationship and on this basis Ian initiated some specific work with the siblings:

> "…I wondered about- I mean, the relationship between [Gina3 – Mktg Dir] and [Fred3 - MD] as another key thing in this…I said to [Ian - consultant/NEBM], 'I think you need some facilitated discussion, between the two of them'… my strong feeling was that that was such a critical relationship for the future of the company. I felt, that they really needed to have a modus operandi, and they had to surface, they had to flush out, any issues that were there and address them." [Jake – external mentor]

Ian - consultant/NEBM also played a critical role in terms of solution development. He drove important parts of the process, including setting up mentoring arrangements, designing the new Board structure, and implementing new people management arrangements. He placed a strong focus on formally defining the new roles that family members and managers needed to take on to achieve the transition. This included the new Executive Chairman role for Eric2 and supporting his transition into this role:

> "But in terms of [Fred3], sales director, we developed a plan…how do you make the sales manager an MD and how can you, at the same time, get [Eric2 - EC] to be a chair? So we'd written down plans there, line after line… part of that dynamic was to get [Eric2] to be the chair as well. Obviously, if he doesn't, if he doesn't vacate, you cannot do this succession. Now, that wasn't always straightforward… You just had to do it rigorously…the whole thing has to be transparent. But getting [Eric2] to accept, for example, that the chair role was a valid one, it's not easy…" [Ian - consultant/NEBM]

This was an important part of the succession and would have been difficult to achieve without the sustained input from a trusted external advisor working directly with the incumbent. In this way Ian assisted the incumbent to relinquish

total control of the FB to the extent required at that stage of the transition. This was a significant contribution from an external network tie given the difficulties that many FBS processes encounter through a reluctance of the incumbent to 'let go'.

A further role fulfilled by Ian - consultant/NEBM was convincing the incumbent that his daughter could take on the role of Marketing Manager and then Director. Based on his analysis using externally validated approaches and his business experience, Ian concluded that Gina had the skills, aptitude and experience to be Marketing Director and that it was feasible to do this working remotely:

> Interviewer: "Could you describe for me your role in the FB and how it's developed since you came in?"
>
> "…With everybody in the business [Ian - consultant/NEBM] made them sort of do these questionnaires…he came back and said to Dad afterwards you couldn't find a better person to do your marketing because that's really what drives her. So, I feel a bit vindicated fighting for something…I think Dad didn't believe that anybody could work remotely in the business. And it was, I think, down to [Ian] again who – he's like our family shrink [laughs] – who said, you know actually this can work; she's not customer facing…[Ian] has been, I think to be honest, without [him] I wouldn't be in the business and I've told him that quite plainly. And he's been, I think, a big, I think a big supporter of mine… You know, I knew there was a way to do my role remotely but Dad would never have believed it had it not been, I think, for [Ian] saying. I think sometimes families get very emotional." [Gina3 – Mktg Dir]

By providing reassurance and legitimisation and improving understanding across the generations, Ian - consultant/NEBM had a major influence on the LuxJewel succession experience. Importantly, the fact there was an evidence base underpinning the case he made for Gina to become a director helped achieve the acceptance of the other key players:

> "So, I think it was a, it was more a case of me trying to encourage people that that made a lot of business sense. Thankfully they saw that, and sometimes it's difficult, isn't it, the daughter has as many talents and skills as some of these hardnosed directors that he's had for many years. They have, might not have the experience but they have the talents, you know, and you can measure it and I could tell 'em that, I could tell 'em what, you know, what [Gina3's] profile was, I could tell her why I

thought she was a good fit. I can tell her why she was a good fit, I could tell her why she can do some things but not others. So you show the objectivity…" [Ian - consultant/NEBM]

As indicated by Gina there was inevitably some emotion involved in the transition. Therefore, another facet of the tie with Ian was that through his objective approach and friendly manner he helped remove some of the emotion from the often fraught process of FBS:

"I think sometimes families get very emotional…So [Ian - consultant/NEBM] has been like a calming, steadying hand I think for all of us. In terms of just providing a bit of perspective whenever you get so pent up and things and you maybe can't see the wood for the trees. He's been absolutely great just at, I think, be able to show us to take a backward step and to figure out, you know, how you can work certain things." [Gina3 – Mktg Dir]

Similarly, Harry (external accountant) saw himself as preventing and tempering succession-related emotions:

Interviewer: "Can you give me your take on what the succession process involved, and how it evolved?"

"…I would have seen my role, and still see my role, as being an independent assessor that will temper the natural emotions that run within any family. And with regard to the succession within the business, and that's where, hopefully, I play an educated and balanced, professional advisor to the family..." [Harry – external accountant]

A further function of the external network ties was providing mentoring opportunities for the family members. Fred3 – MD attributed his development of some personal skills to his involvement with Vistage, with the group Chair acting as a mentor. In addition, Ian once again featured strongly in the interviewees' narratives, acting as a mentor and setting up mentoring arrangements with other externals:

"I would have had one-to-ones with [Ian - consultant/NEBM] now and again just to catch up…I think just sort of seeing how I was, getting a bit of feedback, you know, and then I suppose that let him understand how he could adjust things around and, if that make sense?...he was very much there and very much ever present and any time you needed to talk or, you know, want to show you this or take you through that, you know. He would've had sit down meetings with me to explain, with Dad and I

to explain at times, you know, when we got close to the change. He was brilliant, he was brilliant." [Fred3 - MD]

Alongside this informal input, there was a more formal 'accelerated development plan' for Fred which Ian played the lead role in designing. This included a structured process of mentoring between Eric2 and his son. The external advisor was critical in convincing them of the merit of this and ensuring the meetings happened:

> "So one element was, and I used to have to hit them on the head with a hammer to make them do it but, you know, once a month I had them go for a lunch offsite, and they had to go talk. And again, I believe in a structured approach just to give them some discipline…You have to take them through a set agenda…I set it up that way and forced them to make sure they had those sessions… you can do stuff on a, on a one-to-one confidential basis that you cannot do in formal, senior management team board meetings… And you've got to give him the confidence to do that… [Ian - consultant/NEBM]

The use of the term 'forced them' suggests the strength of Ian's position with the LuxJewel family members. This formal dimension of interaction between father and son assisted with the development of Fred's leadership capabilities, the transition of Eric into the EC role, and the transfer between generations of tacit and complex knowledge essential to the business.

Ian - consultant/NEBM also made connections to other external sources to assist the two children to transition into their new roles. For example, he set up Fred with a finance expert from a local university to coach him on the financial matters he would need to understand as MD. Critically, Ian was able to identify the right mentors by drawing on his experience, his network, and his detailed understanding of LuxJewel. This was a major contribution given the difficulties that can be encountered in getting the appropriate mentors that really add value. Ian was a strong tie but in making these connections he was fulfilling the bridging function to heterogeneous resources normally associated with weak ties (Granovetter, 1973). Arguably the strength of tie was necessary for the recommendations to be accepted and trusted by the LuxJewel family members.

In the case of Gina3 – Mktg Dir, her formal mentoring arrangement was set up by Ian with a long-standing contact of his, Jake. Through a series of four

meetings Jake helped Gina work through various issues and develop her emotional intelligence skills:

> Interviewer: "Who else did you talk to in terms of either advice or support in terms of the succession?"

> "…[Jake – external mentor] was great…we've a couple of difficult personalities in the business… so I think [Jake] helped me a lot with things like that… he helped me immensely because I feel like I managed that relationship better, knowing more what sort of drives her and what motivates her. And I think I've become a bit more savvy in dealing with people…see I'm very black and white and don't tend to hide things…he's helped me a lot in regards of that…" [Gina3 – Mktg Dir]

From the mentor's perspective he hoped he had helped ease the succession process:

> "I was much more interested in trying to find, trying to find a way for her, well, to be able to try things. And some of that is about listening to people, and being more empathetic if you like, and some of it is about behaviour, but some of it's about, as I say, things to try, like, 'Listen to people's suggestions. Ask them what you think…' I hope it's ameliorated the process; I hope it's made it a little bit easier, for people to move, (a) move into those roles and (b) be accepted in those roles."
> [Jake – external mentor]

Jake noted how his mentee opened up to him and this was partly due to who had recommended him to Gina: not only had Ian - consultant/NEBM, with whom Gina had a good relationship, recommended him but Jake had also already mentored one of the LuxJewel managers whom Gina respected. When this manager told her 'that guy saved my marriage' she took this as a very strong endorsement and therefore was predisposed to work positively with the mentor. Once again the important role of 'go-betweens' in new relationships in the FBS context is apparent. The 'roll over' trust basis (Uzzi, 1997) was arguably part of the reason why, despite only meeting four times over an eighteen month period, Gina formed quite a deep relationship with Jake. An additional reason may be that the two individuals formed a personal connection – they quickly established that they liked each other and there was empathetic understanding between them. These factors helped them to develop rapidly what is described as a strong tie (Granovetter, 1973). However, contrary to most of the embeddedness

literature, this tie was not characterised by frequent and extended duration of interaction as they only met four times and now remain in sporadic contact.

A further noteworthy contribution by the three key external advisors was facilitating dialogue and understanding between family and non-family members. This function of advisors has not received any substantive research attention in the FBS context. Ian - consultant/NEBM emphasised including all the managers in the organisational change process and thereby helped to secure their buy-in:

> "…as I said to you earlier, it's the way I operate, I don't, I'm not advocating every consultant does this but I've built relationships. That's the way I like to do it…you can only do that on a relationship basis, relationships, so meaningful relationships that contain, are based on trust, and you build the trust up, I build a relationship, every bit as much as with the directors as I do with the family members." [Ian - consultant/NEBM]

Harry (external accountant) identified himself as having had a role in 'bridging the gap' between Eric and some of the younger senior managers and informally coaching Fred on how best to handle some of the more sensitive relationships with long-serving members of staff.

Overall, there were multiple resources flowing across the ties with external actors in the LuxJewel succession context. The ties performed multidimensional functions, including providing family members with impartial advice, broadening their perspective so triggering action on a wider basis, and helping them identify issues and develop solutions. The external ties played a role in reassuring family members, tempering emotions, supporting personal development, and involving non-family managers. The multifaceted nature of the resources flowing across the ties helps us better understand the role of outsiders as well as the content of network ties in the FBS context. It was notable that it was the strong external ties that provided the greatest variety of resources, lending support to the notion that the strong tie conceptualisation advanced by Granovetter (1973) and adopted extensively in the literature (Jack et al., 2004) needs to be revisited.

5.4.5 Development of deep, trust-based relationships

From the discussion of how LuxJewel used external ties in relation to succession it is clear that there were three particularly influential individuals, all of whom were interviewed – Harry (external accountant), Ian (consultant/NEBM) and Jake (external mentor). It is worth considering in some more detail the nature of these ties. Ian was identified as having had the most significant influence on the succession process. A particularly strong relationship developed between Eric2 - EC and Ian, characterised by mutual respect, interpersonal closeness, and trust. In part this was due to a congruence of their personal values:

> "So, we worked very closely together…He also has a very Christian outlook on life. I mean he's a really, really good guy…. Well, he became a close friend. And, you know, he and his wife have stayed with us in Spain and, you know, we would meet socially when it's possible as well. But an extraordinary business mentor and a real understanding of people." [Eric2 - EC]

> "I honestly believe [Eric2], we built a friendship on the fact that we could talk about his business and his family…lovely man that he is, he'd know my family and loves my wife and, of course, of course he does. You know, we have some crossover charity things. We did things in Belfast, it's important to [Eric2] and it's important to me that, you know, we have similar values, I believe in helping people if you can. And [Eric2] would as well, he goes the extra mile, he's a very generous man...that relationship worked very well…to this day he's a very good friend of mine." [Ian - consultant/NEBM]

These quotations indicate that there was a strong personal and affective dimension, involving friendship and sociability, as well as a business dimension to the relationship. The relationship can be understood to have evolved into a KBT basis through recurring interactions and interpersonal rapport over time and then into IBT (Lewicki & Bunker, 1996). Ian emphasised the centrality of trust in his relationships with all the family members:

> "I can only say this, you know, you have to build a trusting relationship with each one of them… you've gotta have that trust, that way they come to the conclusion, [Ian] is trying to be as open as he possibly can. Whether you achieve that 100% I don't know, but you have, you have to be able to do that, otherwise the process will not work…." [Ian – consultant/NEBM]

While there was frequent contact between the family members and the advisor for several years there was then little contact following implementation of the transition. Nevertheless, all the family members still regarded Ian as a close friend whom they can, and do, call upon if necessary. Therefore, this tie developed into what Jack (2005) terms in the entrepreneurship network context a 'latent' tie which can be made manifest when necessary.

The same situation prevailed with Gina's relationship with her former mentor, Jake. Indeed, the nature of this relationship had many of the characteristics of that between the family members and Ian - consultant/NEBM. There was an affective dimension of care and concern in addition to a cognitive one based on the experience and expertise Jake brought to the interaction:

> "And I thought [Gina3 – Mktg Dir], and do still think, she was absolutely delightful, and I liked her and I liked her a lot. And she was- the great thing about it was she was absolutely open with me… I hope I was, you know- that she felt I was being honest with her about what I felt the things were that she needed to think about." [Jake – external mentor]

Once again, the dynamic nature of trust can be discerned in this relationship, moving from an initial type of 'rule-based trust' (Kramer, 1999) predicated on shared understandings of the system of rules regarding appropriate behaviour in a mentoring arrangement, through KBT (Lewicki & Bunker, 1996) to something approaching relational based trust (Rousseau et al., 1998).

The relationship between the LuxJewel family members and Harry (external accountant) extended well beyond a contractual professional services one. The main bond was between Eric2 - EC and Harry, developing over thirty years into a close friendship:

> "And then I would just have known them as family friends over the course of the last 20 years...So that's the context from both a family context and from an advisory capacity as well… it started off, obviously, as a business relationship, and as we both matured, and indeed as I got married and I had children, there's a fairly strong personal relationship there, between [Eric2] and [his wife], [his sister] and I." [Harry – external accountant]

A progressive dynamism in the trust basis of the tie can be discerned: from rule/institutional to process/knowledge to identification/relational based. Like

with Ian - consultant/NEBM, the friendship was also with the various members of the family and involved a deep understanding of the LuxJewel business and its personalities.

This depth of understanding also featured in the relationship with Jake (external mentor) who explained how he saw it as important 'to try to understand the culture of the business'. Eric appreciated this depth of engagement and emphasised how he sought advisors who were genuinely interested in LuxJewel and took the time to really understand its unique dynamics, challenges and people. He lamented some of cursory understanding exhibited by the financial firm used at one point to advise on share ownership aspects of the succession but valued how Harry and Ian understood the business and his objectives:

> "[Ian - consultant/NEBM] knows both my family and my key managers in the business so well. And he knows probably more than anybody the heartbeat of LuxJewel, you know, as a sort of independent person." [Eric2 - EC]

Time-limited contractual relationships for professional advice on specific financial and legal aspects contributed to the success of the transition process. However, overall the most influential external ties were those with advisors where the relationships were multidimensional, characterised by depth, trust and friendship but at the same time grounded in respect for the objectivity, expertise and experience of the advisors. Connection and congruence of personal values, combined with a belief that the advisors were genuinely interested in and understood the subtle dynamics of the family and business, were critical features of the relationships. This personal dimension is an important component in understanding the LuxJewel cross-boundary ties. The analysis of the relationships also suggests the need to recognise trust as an important dimension of network ties in the FBS context.

5.4.6 Impacts on succession process

As suggested in the discussion on the resources accessed through the network ties, the interactions with external actors had significant impacts on the experience of succession. The family members repeatedly acknowledged the value of the various external inputs. One particularly important impact was that

through the involvement of Ian the succession was viewed as part of a wider programme of organisational change and improvement:

> "…whenever I met [Ian - consultant/NEBM] for the first time back in 2007 and…I brought him to advise me about the roles that our kids would have in the business and how best to develop it etc. And he came back and felt that there was more that could be done and he got very involved in the business; joined the board for a number of years. And he restructured, helped us restructure the company…." [Eric2 - EC]

The people management processes, revised organisation and board structures, and senior management roles were all part of Ian's focus and were subject to major changes. These were connected to, and seen as a critical part of, the foundation for the succession process. These improvements were driven by Ian, utilising others such as Jake, Harry and Vistage, as necessary. This was in addition to his more specific succession-related activities, including establishment of mentoring arrangements, development of new role descriptions, and providing ongoing support to the family members. The extent of this influence was recognised by all the family members:

> "[Ian - consultant/NEBM] *was* the transition. He was it. You know, I suppose you could say okay if Dad hadn't been amenable to his suggestions we wouldn't be where we are. So, you know, Dad helped it by working with it and everybody else stayed around…But no, [Ian] was the transition. He was it." [Fred3 - MD]

Ian did not identify that he had played such a major role, however, this is perhaps to be expected from an individual characterised by humility:

> Interviewer: "How important do you think your role was in the transition process?"
>
> "…this is my honest impression, sure, it's not me being humble. I probably contributed 30, 40% of what they've achieved in the last few years. I mean in terms of the type of the work, not the overall result. Now, I don't think they would have done 30 or 40% of what they're doing now if I hadn't been employed. And I honestly believe that's a positive impact on the business… Hopefully I've contributed something in terms of the succession but also just in terms of the rigour and how they did their business." [Ian - consultant/NEBM]

5.5 Conclusion

The LuxJewel case generated a number of themes. Firstly, the varying nature of the ties between the incumbent and his two children had an impact on the succession experience. Secondly, actors from outside the family and the firm had a significant influence on the shape of the transition, reflecting the family's general inclination to value external input. Existing network ties were utilised to identify and make connections with other individuals outside the FB who could be trusted to contribute to constructing the succession process. A wide range of resources were accessed through various external relationships to support the transition and wider development of the business. Three advisors in particular played critical roles in supporting the succession and these relationships were characterised by their multidimensionality, depth, personal component and trust basis.

Chapter 6

6   FUELCO

This chapter sets out the second in-depth case study focusing on the FuelCo FB. As in the previous chapter, company summary information is followed by a case description setting out the company history and family involvement. A data structure diagram is provided followed by detail on the findings that emerged from the FuelCo case.

6.1   FuelCo characteristics

Table 6.1: FuelCo characteristics	
Year founded	1960s
Sector/industry	Fuel import and distribution
Location(s)	Ireland & UK
No. employees	c.400
Turnover	Estimated c.€1.2bn
Ownership	100% family owned – share ownership divided between six siblings (3rd generation)
Generation in leadership	Deputy Chairman/Executive Director – (3rd gen) Executive Director – (3rd gen)
Active family members/ generations	As above plus four other siblings shareholders

Figure 6.1: FuelCo family involvement chart
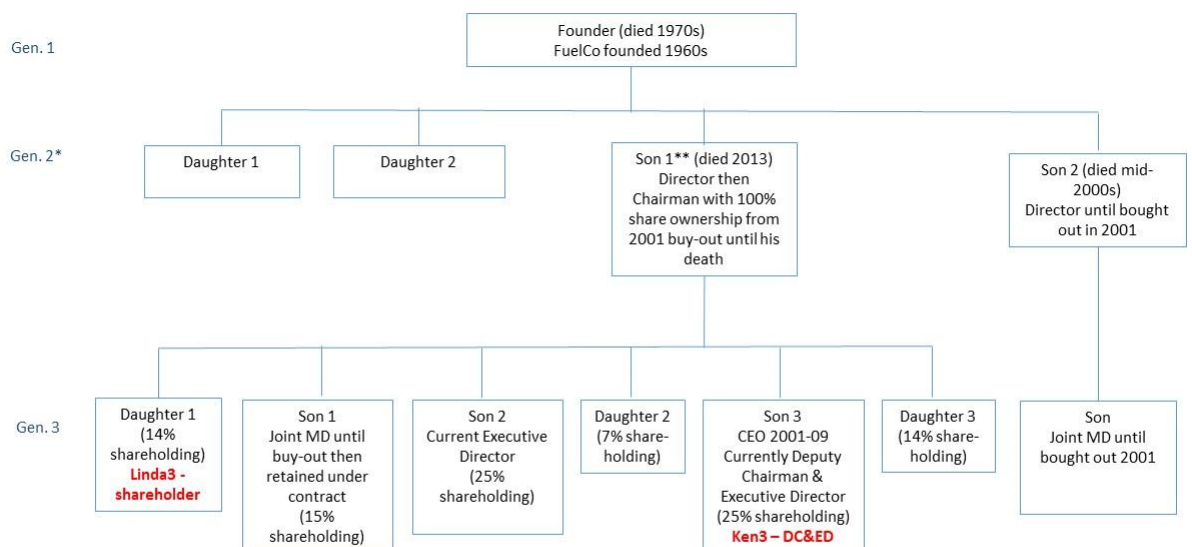
*Generation 2 had other children; the diagram only shows those involved in the business
**Referred to as 'father/incumbent' in case description

Table 6.2: FuelCo interviewee characteristics

	Ken	Linda	Mary
Current position	Deputy Chairman and Executive Director (DC&ED) 25% share ownership	Shareholder (14%)	PA & confidante to former Chairman/owner (father/ incumbent)
Length of time in firm	c.25 years	Shareholder since 2013	Worked for father/incumbent in 1970s and again in 2000s until his death
Family position	3rd gen – youngest grandson of founder	3rd gen – granddaughter of founder	Worked for father/incumbent as PA for many years.
Age	50s	50s	60s
Gender	Male	Female	Female
Education	University & chartered accountant	University	School & college
Work experience outside the firm	Banking career for several years before joining FB	Has not worked in FuelCo at any point (housewife/mother)	Housewife/mother and magazine editor for period between years of employment by father/incumbent
Interview location	Hotel lounge	Hotel lounge	Hotel lounge

6.2 Company information

FuelCo is the holding company for the Group which is made up of several subsidiaries. The fuel importation and distribution company is the most widely known within the Group, operating an Ireland-wide network of service stations, a domestic heating oil service, supplying fuels to the aviation and agricultural industries, and running a large oil terminal. The Group also has a substantial fuel business in NI operating as another subsidiary. As Irish private unlimited companies with share capital FuelCo and its subsidiaries do not have to file publicly available accounts. A press source estimated in 2008 that FuelCo had a turnover of approximately €1.2 billion but operated on tight margins resulting in an estimated profit of €12 million. During the financial crash starting in 2008 FuelCo underwent significant restructuring and refinancing. It currently employees approximately 400 staff.

FuelCo is 100% family owned. The Board includes two third generation family members: Deputy Chairman and Executive Director (Ken[10]) and one of his brothers, who is another Director. The other two Board members are non-family members, the CEO and Chief Financial Officer. These four individuals are also the directors of the subsidiary companies. The day-to-day management of the business is by a team of non-family professional managers. The company has several Non-Executive directors on its Board.

6.3   Company history and family involvement

The grandfather of the current shareholders married the daughter of a coal importer and worked for him in the 1950s. He saw an opportunity and in the late 1950s bought the coal business and turned it into a thriving enterprise. The founder had four children, two daughters and two sons, and the two sons worked in the business from when they left school. He passed ownership to his two sons when he died in the early 1970s but gave nothing to his daughters. The eldest son in the second generation (referred to as father/incumbent in this analysis[11]) had six children (three boys and three girls) with his first wife in the late 1960s but she died young and he then remarried. The second son of the founder had one son. The second generation brothers ran the company for several years but in the mid-1990s their relationship deteriorated and so as a solution they let their respective sons take over as joint MDs. In line with traditional views it was the eldest son of the first son of the founder who was appointed to the joint MD role. Ken3 – DC&ED (the youngest of the three sons) had initially avoided joining the FB, instead training as an accountant and working in banking. However, he felt unhappy in this career and therefore joined the FB but on the proviso that he came in at a senior position. Therefore, he came in as a finance director of one of the subsidiaries, overseeing the NI operations. The three daughters were not involved in the business.

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[10] This interviewee is subsequently referred to as 'Ken3 – DC&ED' to indicate that he is third generation and occupies the positions of Deputy Chairman and Executive Director

[11] The second generation owner of the business, referred to as the father/incumbent, died in 2013 and therefore is absent from the list of interviewees. However, the three people interviewed – two family members and one external individual - were all in a position to offer well-informed views on the thinking and actions of the father/incumbent and bring three perspectives on these to the research.

However, relationships deteriorated in the late 1990s, culminating in the eldest son of the founder buying out his brother and nephew from the fuel business. He stood down as a Director and became the Chairman of FuelCo and sole owner of all the company shares. It was an aggressive takeover with Ken3 (the youngest son) playing the key role in mounting the buy-out in secret on behalf of his father:

> "It was very aggressive action where [father/incumbent] was going to buy-out his brother which was a hostile buy-out. He forced him into buy-out, and then my brother was out of a job. So that was a very, very difficult time… I just don't think it's good for families to work together. I mean, take my father and my uncle, for instance. They were best friends until my father did that hostile buy-out, and they didn't really speak after that." [Linda3 – shareholder]

Following the buy-out the father/incumbent appointed Ken as Group CEO. This was the result of his son having proved himself in turning around the fortunes of two subsidiaries and then successfully mounting the buy-out. In addition, the father's relationship with his eldest son (who had been joint MD) had soured given the son's focus on enriching himself and also allying with his cousin in the in-fighting. The relationship between this son and his siblings had become very difficult for the same reasons. This son remained involved in the business but only retained on a contract basis. The other (middle) son became a Director but was not made CEO despite being older than Ken because he lacked any business training and had not been seen to deliver much for the business.

In effect the assumption of the CEO role by the youngest son could be considered the second stage of the succession process following the eldest son and his cousin becoming joint MDs some years before. However, while significant, these transitions in management responsibility were not viewed by Ken nor his father as the true succession. In the father's understanding succession was about ownership of the business and this was a matter that was to be dealt with upon his death. This understanding of succession is a reminder that although most FB scholars conceive of succession in terms of leadership succession (De Massis et al., 2012), it can also refer to the transfer of ownership, with the different elements of the intergenerational transition occurring at different times (Birley, 2002).

Ken3 – DC&ED explained that his father then proceeded to change his will several times, providing for different combinations of how the shareholding would be divided between his six children. The father's relationship with his second wife broke down and Ken again played a key role, helping him organise his affairs to finance the separation. The result was that the father's sole asset was his company shares, meaning that he had nothing else to bequeath to his daughters as originally planned:

> "So he then realised he'd have to have a new will, and he hadn't anything to give outside the company to the three girls. He was, sort of, more - he was way more - he was more traditional. He felt that the girls were never in the business, all the boys were in the business, and so he had this issue of how he was going to change his will. And he decided just to go for equality." [Ken3 – DC&ED]

Thus he changed his will once more, dividing the shareholding equally between the six children and informed them of this change.

Ken, who at this stage was Chief Executive, worked closely with his father during this period. He persuaded his father of the need to take external advice to help plan for the generational transition and the need for a shareholders' agreement outlining how the family and business should interface. The father/incumbent became terminally ill in the late 2000s and therefore more work was undertaken along with the advisors to ensure that the will and all the necessary plans were in place to manage the ownership transition, as well as the associated legal, financial and taxation implications of his death. As a result of the financial stress due to the global economic downturn, an acquisition that went badly, and the intra-family divisions Ken suffered an acute stress reaction in 2009 and had to take a leave of absence. At this point a non-family manager was promoted to CEO, a position that he still retains. Thus in some ways the firm became family owned but professionally managed.

The process of planning for the father/incumbent's demise was further complicated by the intra-family divisions that developed. This was partly due to the death of the father's partner, who he had met after the separation from his second wife, and then him becoming involved with another female companion whom his children did not like. Two of the daughters also resented being excluded from the business. The relationships with his three daughters, and with

one in particular, became very difficult. These developments drove the father/incumbent to make further changes to his will and letter of wishes, moving away from an equal division of the company shares. The eldest son was then declared bankrupt due to failed personal investments and the marriage of the middle son broke down. All in all, the family situation was very fraught and emotional and it was against this background that the terminally ill father was considering the transition of the company ownership.

During this time Ken returned to the business in the role of Deputy Chairman and Executive Director. He continued to have the closest relationship of all the children with his father and, in conjunction with the advisors, they continued work on the shareholders' agreement, the will, and associated plans. Another close relationship that the father had during this time was with his personal assistant who had worked for him when his children were young in the 1970s and then returned to work for him in the 2000s. This woman (Mary) became his confidante and ran all aspects of his life as well as providing a lot of emotional support and care during his illness. She ultimately was made an executor of his will:

> "I have known the [family] for 40 years and I took a 10 year period off to have my children… The first time around I was more involved with the management of the home and the couple and their family…When I came back the second time, I came back as a PA to the Chairman of the company…I wasn't as involved with the company as much as one would expect a PA to a chairman to be. I was more looking after the chairman and his personal needs rather than the company…" [Mary – PA/confidante]

The father/incumbent died in 2013. A few months before this the children were informed of the final change in the will. The shareholding was divided up with Ken and his brother, who was also a Director, each receiving 25%, reflecting their long service leading the business. The other brother received 15%, due to his history of seeking to enrich himself at the expense of his siblings and his father helping to bail him out of his personal debts. Two daughters (including Linda) each received 14% of the shares, while the other daughter received only 7%, partly because this relationship remained in a state of break down at the time of the father's death and she lived alone without any dependents. The division of the shares and the manner in which the news was delivered caused

'huge fighting', with the daughter in receipt of the smallest shareholding being particularly angry.

The shareholders' agreement meant that the control of the business was in the hands of the Board, rather than the shareholders. Thus it was Ken, his brother, the non-family CEO and CFO as the four executive directors who controlled the company, regardless of how the shareholding was divided. Under the terms of the agreement the three daughters were not allowed to become Board members because they had not worked in the business and the other brother was barred from an executive directorship for the duration of the bankruptcy charge. Hence the minority shareholders had no say in the running of the company:

> "[Ken3 – DC&ED] has just told me just before I came in here, he said they're making another investment. We have no say in that, you see, that's the problem. I don't know coming down the road…[I'm] not on the board. I have a 14% shareholding and I have no say in the dividend policy, and yes, no say in the future." [Linda3 - shareholder]

Since 2013 the Chairmanship of the company was held by a non-family individual who was also an executor of the father's will. The intention was that Ken would take over this position in the coming years as stipulated in his father's will. There are over twenty great-grandchildren of the founder but none of these were as yet involved in the business. Ken was considering the future ownership and management of the business.

6.4 Findings

A summary data structure is presented in Figure 6.2 and additional representative quotations in Appendix 15.

Figure 6.2: FuelCo summary data structure

Differing incumbent-next generation relationships: • Between incumbent and main successor: close but business-focused, legitimation • Strained relationships between incumbent and other children Lack of intra-family trust; gendered views Incumbent determination to retain control	Varying nature of familial ties impact on succession process
Incumbent 'knew his own mind' but openness to external input Successor more open: explored other external support arenas Range of external stakeholders considered to have influenced succession	Valued external input – range of stakeholders involved
Cross-boundary relationship initiation phase: • Drew on existing network ties to access trusted sources support succession • Strong ties bridging to new contacts • Important role of third party connecting ties • Younger generation also looked beyond existing network – academic institutions	Existing & new ties utilised to extend network to trusted others to support succession
Various resources provided by external ties: • Impartial and experience-based advice • Issue identification & analysis • Solution development • Sounding board Some key functions not fulfilled e.g. tempering emotions	Tie utility: range of resources accessed through external ties to support succession
Multidimensionality of key external tie relationships: • Relationship with more than one family member • Deep understanding of family and firm dynamics & commitment to their long-term success • Strong basis of mutual respect & personal dimension • Development of strong trust bonds • High frequency and long duration of contact	Trust-based and personal closeness of external ties influencing succession process
Specific impacts of external ties on succession process: • Academic course created focus on clarifying the family-business interface • Confidante role in facilitating return of main successor to the business • Advisor influence on proportional allocation of shareholding	External tie impacts on succession: establishing scope & structures/processes & re-entry of next generation

6.4.1 Incumbent – next generation relationships

Ken3 – DC&ED came to have the closest relationship of all the six children with the father. As indicated earlier, the main reason was that he had proved himself as competent and reliable:

> "…when we did take over and we did the buyout, it was an amazing transaction. It was the amazing - most amazing six months of my life in

terms of my career. The whole transaction we did behind – [cousin] didn't realise…And when that happened, my dad turned around and said, 'You know, I was wrong about you', so he, kind of, accepted that, you know, I wasn't an incompetent actually… he, sort of, he respected my business competence, but we didn't really get on that well…And it was only when he was - later on when he was dying, and he would - when he was dying, that was - the girls were bullying him…And I think in the end he suddenly realised - actually he just realised, 'I'm going to die'. He'd, sort of, changed. He'd changed as a person. And that's when we got quite close then." [Ken3 – DC&ED]

It was a father-son relationship very much focused on the business and cognitive dimensions rather than an affective bond. There was an element of characteristic-based trust (Zucker, 1986) in that Ken was most similar to his father in some respects:

"[Ken3 – DC&ED] is an accountant. He's very good at figures. He's just the kind of personality he has that my father and he, their brains worked the same way and he relied on [Ken] a lot." [Linda3 – shareholder]

Secondly, there was a knowledge-based dimension to the trust (Lewicki & Bunker, 1996) between the two individuals generated through their working together over a sustained period:

Interviewer: "Whenever you said [Ken] and your father became very close, how did that develop?"

"…My father wasn't stupid. He knew that [Ken] was a very sound head and he trusted him, and that's how they built that. [Ken] would have a lot of one on one meetings with my father and they would talk about the business and Dad relied on him. He was right to rely on him..." [Linda3 – shareholder]

However, it must be remembered that this perspective was that of Linda and Mary, both of whom were on good terms with the father/incumbent and remained close to Ken.

As noted in the case description, a final reason for the incumbent coming to trust his youngest son 'emphatically' as noted by Mary – PA/confidante was that the trust between him and his eldest son had been destroyed. A breakdown in trust with one son acted to reinforce the development of a trusting relationship with another:

"That's when problems started happening when my father found that a dividend payment he was due to get that had been agreed that they had

blocked that, his own son had blocked it, and his nephew…I think that the stuff with [his eldest son] I think always marred their relationship…I think underneath it all he felt [his eldest son] was not totally to be trusted and [middle son] isn't quite as steady as [Ken]." [Linda3 – shareholder]

At the same time, while there was no comparable breakdown in trust between the father and his middle son, there was never the development of the degree of trust between the two that developed between the father and his youngest son (Ken). There was an absence of KBT (Lewicki & Bunker, 1996) as well as the type of characteristic-based trust (Zucker, 1986) as identified in the relationship between the father and Ken:

> "But he would never have seen [middle son] as being a safe pair of hands. He would have seen [middle son] as being somebody who would be there to make sure that the company, you know, produces, I suppose, good customers in relation to coal, but he was…I know [middle son] so well. [Middle son] is, I suppose, for want of a better description, he's a bit of a fly-by-night. He deals in the moment rather than in the long term…" [Mary – PA/confidante to father/incumbent]

The relationships between the incumbent and his three daughters were different again in nature. Linda described her father as 'sexist' given his refusal to allow his daughters a role in the business and then bequeathing them smaller shareholdings than the three brothers. In this way the father/incumbent reflected a dominant traditional gendered view in many twentieth century Irish family businesses:

> Interviewer: "Was there always an assumption that the female children weren't going to be involved?"
>
> "…My two sisters fought with him for the last year of his life in a very aggressive way, and a lot of it had to do with one of my sisters. To be fair to her, I think she would have been good. I think she has a good business head. She was never given the opportunity and she fought with him in his last year of life about that, which I thought was unfortunate because it was 30 years ago. It was too late. I didn't understand why she had to be having it out with him then, but he was sexist, yes. There is no doubt he was…Yes, it did cause resentment." [Linda3 – shareholder]

At the time of the father/incumbent's death the relationship with Linda was repaired but remained shaped by gendered views with their conversations focusing on personal rather than business issues. However, the relationships

with his other two daughters remained strained which also coloured the sibling dynamics:

> "And so there's a huge sibling jealousy, you see. I became extremely close to my father right at the end. And there was this massive jealousy about it and [sister] was accusing me of pouring wine into my father's glass and, 'Change your will, change' - all this, sort of, nonsense." [Ken3 – DC&ED]

Of course, such sibling rivalry and family conflict are not unusual in FBs, particularly in relation to succession (Sharma, 2004; De Massis et al., 2008; Nordqvist & Melin, 2010). Hearing from Linda was helpful because, as Birley (2002) notes, while issues relating to conflict receive attention in the literature, there is little consideration of the issues from perspectives other than the incumbent and successor.

Much of the division stemmed from the father's behaviour regarding the shares – the proportional allocation and the way the changes were communicated to the children:

> Interviewer: "Maybe you could give me a bit of your perspective that [your father] passed on the management of the business, but not the ownership?"
>
> "…My father only died in 2013, and my brothers were well in their '50s at this stage, and they were still very much under my father's control. I think they found that very frustrating, very frustrating. I think it's probably not been good for them. No, I think it probably hasn't been good for them. Personally, I think he should have given over the shares at an earlier stage, but he never was going to do it. That's just the kind of person he was. He was just power mad… But I suppose it's this thing of I just think my father's mistake was that he kept telling us what he was going to leave. I just think he should have left it to the end and then told us, or told us just before or something…it's left very bad relationships." [Linda3 - shareholder]

FuelCo is an example of where the incumbent's determination to retain control can be partially attributed to traits often found in successful entrepreneurs such as being dominant and egotistical - ironically the very traits which often help make them successful in the first place (Rose, 1993; Ibrahim et al., 2001). However, it can be argued that part of his refusal to relax control was due to there being insufficient trust and stability in the relationships (partly caused by

his own actions) to give him the reassurance he needed to transfer the ownership of a business he had spent a lifetime developing.

6.4.2 Openness to external input

As noted previously, not being able to speak to the father/incumbent was a limitation, however, there appeared to be a consensus amongst the three interviewees about his approach to using external input to support business-related decisions. In essence, while he was 'headstrong' he was willing to take advice, including in relation to succession matters, on how best to achieve his aims:

> "[Dad] would have listened to [name of advisor] a lot. I'd have talked to dad about [name of advisor]…[name of advisor] was giving strong, good, independent professional advice to my father, or I would say that. He was quite good, but my father had his own mind though." [Ken3 – DC&ED]

Ken and his father appreciated the expertise and experience that external advisors could bring on financial, legal, and taxation aspects of the succession. The scale and complexity of the FuelCo business and the extent of family wealth necessitated a substantial level of external professional advisory input. Ken and his father drew on external advisors in the development of the shareholders' agreement, however, it was the former who was the driving force in initiating this work. The trigger came from his participation on a course at a leading graduate business school. Interestingly, he had looked for a source of advice when the tensions within the family were mounting and turned to an academic institution as his chosen route:

> "While I was Chief Executive I did find the whole issue of the way family members were treated in the company, both in terms of nepotism, but also cruelty, because family can be very cruel to family. And I looked around for expert advice on that and I actually found a brilliant course in [business school] called the 'Owner Directors Programme'. And it was actually excellent… I got a lot of value out of that. And one of the things that came through was a very good book by one of the lecturers, and he talked about family business and stuff and what you need to do is to separate the business from family…you need to get the balance right…really there should be a mechanism within the family to sort out the family problems …" [Ken3 – DC&EC]

Ken's participation on the course and the way it stimulated his thinking indicates his openness to external input. In this respect he was more open than his father, whom he could not convince to go on the course. In thinking about the next generational transition Ken was thinking about engaging with a recently established centre for FB at a local university to work through the issues. He was also doing a MSc course in executive leadership and planned to do his dissertation on the future FB challenges. Ken's experience illustrates that in thinking about the role of external actors in FBS it is important to recognise that this can include educational courses and/or events.

It can also include awareness of how other FBs have managed generational transitions. In the FuelCo case, however, it appears that the experiences of other FBs had only limited influence on the family's thinking. More prominent in terms of external influences was the recognition by Ken of the contribution Non-Executives can bring to a FB. His father shared this orientation, supporting his son to bring several successful individuals on to the Board. Ken also recognised their value as mentors:

> "...I actually got to like [name of non-exec] a lot because he advised the company, so I got to know him really through an advisory capacity. And when the vacancy came, I put him on the board. My dad agreed to put him on the board…He asks all the tough questions, and it doesn't really matter who you are, whether you're family or not… he became a great mentor figure for me personally then, later on." [Ken3 – DC&EC]

6.4.3 Extension of network to access trusted sources

How the connections were made to the external actors is relevant in exploring the role of external relations in shaping the succession and in seeking to understand the content of network ties in the FBS context. When seeking advisors to assist with planning the ownership transition Ken and his father looked to their existing networks for recommendations on which firms and individuals to approach. Linda notes that her father was 'very careful about the advisors he had' and in part this was through seeking recommendations from people they already trusted. For example, one of the Non-Executives who was a close advisor to the father (see section 6.4.5) was the person he turned to for a recommendation for a solicitor:

Interviewer: "Who did you talk to then in terms of legal advice and what did you get from that?"

"…[the Non-executive] then put pointers in the direction through to a guy called [name], who's actually from North Belfast but lives in Dublin. And he came – [name] is a young guy. He's in his mid to late 30s, but he's brilliant at this sort of stuff, wills, writing of wills and codicils and letters of wishes, setting up discretionary trusts…" [Ken3 – DC&ED]

In this way the Non-executive, who would be considered a strong tie, acted in a bridging manner making connections to new contacts and information, functions usually associated with weak ties (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2005). In another instance the incumbent took a recommendation for a solicitor from one of his cousins. In seeking consultancy advice personal recommendations were important in giving the father/incumbent and Ken the confidence to initiate the various relationships, indicating the key role played by the third parties acting as 'go-betweens', enabling individuals to 'roll over' their expectations from existing relationships (Uzzi, 1997; Ferrin et al., 2006). However, there were arguably two other dimensions to the trust foundation underpinning the inclusion of particular advisors in the succession planning activities. Firstly, there was an aspect of institutional-based trust whereby the FuelCo family members could have expectations that the advisors would behave in anticipatable ways that would be benevolent (Zucker, 1986; Kramer, 1999). Secondly, KBT (Lewicki & Bunker, 1996) developed between the FuelCo family members and the advisors. The advisors all had strong track records and they proved their expertise, experience and trustworthiness to Ken and his father through their repeated interactions. Trust played a significant role in the way family members drew on their networks to bring external individuals into the transition process, helping to shape who was involved and to what extent.

It is important to remember, however, that Ken also looked beyond his existing network when it came to seeking external input in relation to the FBS. Thus thinking about how FBs access sources of support in relation to succession should not be confined to utilisation of existing ties to connect to other individuals and organisations. Nevertheless, even the value Ken derived from his participation on the business school programme can be interpreted in terms of types of trust. As a renowned business school Ken was provided with an amount of institutional-based trust (Zucker, 1986; Kramer, 1999) based on

reputation. He also quickly established sufficient KBT (Lewicki & Bunker, 1996) with the lecturers and, to some extent, his peers during the course to derive value from their input.

6.4.4 Tie utility

A deeper understanding of the network ties operational in the FuelCo succession process can be gained from considering the resources that were accessed through these external relationships. One of the main resources the FuelCo father/incumbent and successor gained from their external interactions was impartial and experienced-based advice. Advice was obtained from the two Non-executives who were also appointed by the father/incumbent as executors of his will. Both had originally started their relationship with FuelCo as professional advisors: one had an accountancy and the other a legal background. They understood the complex FB dynamics and had developed a strong basis of trust with the incumbent and Ken. They effectively occupied an 'inside-outside' position offering independent advice based on their professional backgrounds, while also being partially embedded in the FB.

These sources of advice were augmented by professional technical advice from a small number of other legal, financial and taxation advisors who all came from respected consultancies. These relationships were of a more standard contractual nature and focussed on ensuring appropriate arrangements to support the transition:

> "It was tax advice, legal advice in terms of if we had an issue in terms of the construction of a shareholders' agreement. Legal advice in terms of a will, we brought in an expert on wills…family business wills really. So we had a team of I'd say the best legal advisors, legal and professional advisors, to do with the will, the wording of the will, the statement of wishes, and also obviously the shareholders' agreement..." [Ken3 – DC&ED]

A further type of advice came from Mary in her role as confidante to the father/incumbent. She identified part of her role as offering him advice on the emotional and family dimensions of his thinking, including in relation to the transition. In this way it differed from the type of professional advice provided by the other externals:

> "…if he made a decision he didn't change it lightly. He would seek advice on it, but he would most likely listen to [Ken3] or listen to the financial advisor and he would listen to his lawyer, and he'd only listen to me on the personal, how emotionally it would affect the family and, I suppose, I would always have been very direct with him on things like that…" [Mary – PA/confidante to father/incumbent]

The external ties also played a role in the transition process in terms of issue identification and analysis. Involvement in the business school programme was crucial in encouraging Ken to conceptualise the FB in a way which required managing the interface between family and firm and to see that a shareholders' agreement was necessary. It is interesting that it was the course which prompted Ken to identify this as an issue, particularly given that practitioner literature has long argued that the FB should be thought about as a complex interlocking system of family, business and ownership dimensions wherein the overlaps have to be carefully managed (Tagiuri and Davis, 1996; Gersick et al., 1997).

The external legal, financial and taxation advisors were heavily involved in developing the shareholders' agreement. In doing so they drew on their expertise and experience to help Ken and his father identify the pertinent issues, anticipate possible scenarios, and analyse how best to proceed:

> "…what were the rules about who could become - who in the family could become a director? How was it going to - how was the business going to run in a way that the business wasn't upset in any way by what was - what might happen between family members? And I would have spent a lot of time working with these advisors…we created this structure, which I think is going to work very well in terms of for the existing generation." [Ken3 – DC&ED]

The father/incumbent looked to the taxation advisor to ensure the transition was managed in the most tax efficient manner:

> Interviewer: "Then in terms of your father and [Ken3 – DC&ED] working with the advisors, do you have any insight into how you father took advice or sought advice or any of those relationships?"

> "…there was one guy in [name of consultancy], he regarded him as a genius, [name of advisor]. He would come to [him] with ideas and say, 'this is what I want done now. You find a way around that now.' [Name of advisor] usually did, actually, yes…" [Linda3 - shareholder]

In this way the advisor played a role in providing solutions. The other external advisors acted in a similar way, helping to propose solutions to particular legal

and financial issues involved in the development of, for example, the shareholders' agreement, the will, and the estate planning. While important, this solution development role was focused largely on technical issues. The external advisors did not shape critical aspects of the succession process, such as facilitating family interrelating or mentoring family members, roles which advisors might play in other FBS processes.

In some respects their role was a more indirect one, including listening:

> "He would've listened to [Non-Executive/executor – legal] as well. He would have sat down with [him] and managed to talk - they would talk all this, this sort of stuff through." [Ken3 – DC&ED]

The importance of this sounding board role should not be underestimated with the external actors providing perspectives that would not have been possible solely through introspection. Each individual brought expertise and experience in different relevant areas and, crucially, understood the complex dynamics involved in the family and the business.

However, there were several functions which the external actors did not fulfil. For example, the advisors and Mary did not have a role in supporting the personal development of family members to assist them in taking on their new roles. Nor did they play any part in engaging non-family managers in the process in order to secure their acceptance. Perhaps most striking is the absence of any outsider involvement in working to reduce the significant family tensions. It seemed that the family members did not recognise the contribution that an outsider might have made and the advisors were not encouraged or allowed to take any actions in this regard. This may have been partly due to FBs tending towards strong internal ties and an orientation towards privacy (Roessl, 2005; Arregel et al., 2007; Kontinen & Ojala, 2011; Pukall & Calabro, 2014). Arguably the trust developed with the advisors did not extend far enough to enable this type of role. The father/incumbent's refusal to 'let go' may have contributed to the exclusion of outsiders from these types of mediating roles. It may also have been due to the tendency identified in the literature for those FBs which do plan for succession to concentrate on the legal, financial and taxation aspects rather than the people and relationship issues (Morris et al., 1996; Murray, 2003; Filser et al., 2013).

Nevertheless, the FuelCo external ties fulfilled multidimensional functions in support of the transition, including providing family members with impartial advice, helping to identify and analyse issues, suggest solutions, and acting as sounding boards. Once again the idea of tie function and utility is helpful in understanding the content of network ties and thus relational embeddedness in the FBS context. The FuelCo case also indicates that the strong ties provided heterogeneous resources, rather than the narrow type of resources traditionally suggested in the literature (Granovetter, 1973).

6.4.5 Development of deep, trust-based relationships

The discussion above indicates that there were four external individuals who played significant roles in the FuelCo succession and therefore it is worth exploring the nature of these relationships in more detail. One of these individuals was the tax advisor. Ken and his father had a deep respect for the advisor's expertise and experience, with both family interviewees describing him as a 'genius'. The family found that over a period of years the advisor provided them with high quality advice that was proactive, creative and delivered effective solutions for the family and the business on taxation matters, including to do with the transition. It can be argued that the family members trusted the advisor initially due to his position in a respected consultancy, resulting in a type of institutional-based trust (Zucker, 1986; Kramer, 1999; Dietz et al., 2010). This developed into KBT through repeated interactions with the family (Lewicki & Bunker, 1996). This trust basis did not, however, fully develop into the type of IBT defined by Lewicki and Bunker (1996). The advisor was not drawn into the 'inner circle' of the family to the same extent as the other three advisors (discussed below). Nevertheless, Linda3 identified the trust basis as central to the relationship:

> "That relationship continues. [Ken3 – DC&ED] relies on him and we all found him a great help getting the shares sorted. He was even brilliant at dealing with my sister who then was not speaking to anyone…He is just the kind of person you would trust. I think that's probably the key to anything like this is building up trust. Money can't buy that. It's like me and [Ken], you can't buy that. It's very important if you're making difficult decisions. My father trusted [tax advisor], and I would, actually, yes." [Linda3 – shareholder]

Again we have to rely on the views of the children regarding their father's relationships with the advisors. However, the duration of the relationship with the father and with other family members suggests that there was a close and sustained tie with the tax advisor. Part of the closeness was because there was a personal dimension as well as obvious business dimension to the relationship. This personal aspect was not in terms of an affective or social component (Hite, 2003), but rather in terms of the additional effort the advisor was perceived to have invested and the fact that both Ken and Linda felt there was a genuine rapport with the advisor:

> "I would have used [tax advisor] for a whole host of transactions within the company…simply genius. So I was with him all the way…'I love [tax advisor]'…He's a genius. So…it's personal though I suppose I'd say to you. But it's still very professional in terms of fees, but it's more than - he's done a lot more for us that is well above the call, call of duty I would say. So that's - it's become very close. [Non-exec/executor – legal] likewise, [Non-exec/executor – financial] likewise." [Ken3 – DC&ED]

> "…the [tax advisor] is very good at seeing around corners. He is very creative in his thinking. He is actually brilliant.…he's an absolute genius. Like anything in life, they've built up this personal relationship…He was a plumber before, so he's got a lovely easy manner about him. You could chat away to him about anything. He is just a lovely man and he actually is just brilliant, and I think my father really relied on him since the buyout…" [Linda3 – shareholder]

The dimensions of utility, personal connection, and trust can also be discerned in the relationship between the father/incumbent and another advisor - 'Non-Executive/executor – financial'. Based on the perspectives of the three interviewees it appears that this was a critical relationship for the father/incumbent and one that developed over a long period of time. Initially he came into the orbit of FuelCo as a professional advisor on accountancy matters. A basis of institutional type trust was present because he came from a respected consultancy house. This developed into KBT (Lewicki & Bunker, 1996) through repeated interactions with the father/incumbent and Ken. Crucially, the advisor was involved in the 2001 buy-out and proved his reliability and usefulness. Thus the relationship deepened and, following his retirement from the consultancy, he was appointed as Non-executive director on the FuelCo board, bringing him closer into the FB:

Interviewer: "[Non-Executive/executor – financial], how did that relationship come about?"

"…But then [Non-Executive/executor – financial] disappeared and we didn't use him until 2001 when it was time for the buyout and I said to my father, 'Now's the time for the buyout'. And he said, 'Who do I go to for advice?' And I said, 'Why not [Non-Executive/executor – financial]?' That transaction was an amazing transaction. So dad then said, '[Non-Executive/executor – financial] is retired. Why don't I put him on the board?' And then - so really I'd say his relationship with [him] probably really came to life around the time." [Ken3 – DC&ED]

Another factor in this individual being appointed a Non-Executive was that he was already by this stage a Non-Executive on a number of other high-profile company boards. Therefore, he had credibility and there was a type of 'roll over' or third party inspired trust (Uzzi, 1997). Over time a personal dimension to the relationship developed, with the father and advisor becoming friends:

"[father/incumbent] had- his closest advisors were the people he trusted most and he would have had absolute trust in [Non-Executive/executor – financial] and would have been a friend..." [Mary – PA/confidante to father/incumbent]

While not hearing the father/incumbent's own perspective is a disadvantage, the fact that Mary who was extremely close to him described the relationship in these terms suggests that it is an accurate description of the nature of the tie. The trust basis arguably evolved into an identification-based type trust (Lewicki & Bunker, 1996). This was evidenced in the advisor being appointed to critical roles: an executor of the father's will, a trustee of his estate and Chairman of FuelCo. This final provision was because the father/incumbent knew there would be a period of upheaval after his passing and he thought it prudent for a trusted outsider to be Chairman for an interim period:

"…[dad] did a very good - he was actually a friend. He was the Chairman of the company... So dad became quite close to him and dad made him an executor of his will. At the time of the buyout, [Non-Executive/executor – financial] joined our board…He's now a full-time non-executive director…So he's on eight boards, but he's basically an executor of dad's will…So [my father] would've described him as a great friend, a friend of the family. So his independence, if you will, sort of, faded away into your, sort of - he's now very deeply embedded into the family… He would see my father as a friend. He was quite emotional about my father's death, etc." [Ken3 – DC&ED]

One example of the influence this advisor had on the transition process reflects the closeness of the relationship. When the father/incumbent decided to abandon a shareholding allocation based on equality the advisor voiced his resistance and then convinced the father to increase the shareholding left to one of the daughters which was substantially lower than all the other children. Given the importance of the shareholding allocation to the transition dynamics and subsequent family divisions, the influence of the advisor in this area is significant. The fact that he was able to have even a small influence on the father/incumbent who 'knew his own mind' was testament to the depth of their relationship and evidence that the father listened to this advisor. The advisor's length of involvement with the father/incumbent in his various roles was an important facet of the relationship.

Another advisor who had been advising the father for a long time was the individual referred to as 'Non-Executive/executor – legal'. Initially the tie was about professional legal advice, including in relation to the buy-out. The advisor was a partner in a well-known law firm and therefore there was a basis of institutional trust that quality advice would be provided (Zucker, 1986; Kramer, 1999). Over time the relationship between this advisor and Ken and his father developed on to a basis of KBT (Lewicki & Bunker, 1996) grounded in respect for the advisor's expertise:

> "Another individual who became key was a man called [Non-Executive/executor – legal]. And [he] had a very successful practice up until recently. He's now retired…he was involved right from the beginning when, when my father and [his brother] started fighting…he's brilliant on commercial advice…And he now is sitting on our board and he's a trustee of my father's estate, as is [Non-Executive/executor – financial]…So he is heavily involved. He sits on our board and he's definitely a strong advisor…" [Ken3 – DC&ED]

As indicated, this advisor was appointed as a Non-executive director and, ultimately, became an executor of the father's will and a trustee of his estate. The evolution of the trust basis of the relationship can be seen in this significant development of roles, culminating in an IBT dynamic (Lewicki & Bunker, 1996). Mary explained how trust was a central feature of the tie:

> Interviewer: "And in terms of the relationships with [Non-Executive/executor – financial] and [Non-Executive/executor – legal]

how do you think that trust developed? Or what was the basis of why he trusted those particular people?"

"…he knew [Non-Executive/executor – legal] was somebody with stature, and he was a director of other companies, and he would have been a good advisor from the point of view of the legal aspect. But then as time went on, when [he] was a director… he would have known that [Non-Executive/executor – legal] had a good sense about him, and [incumbent] would have no difficulty, at any stage, if [Non-Executive/executor – legal], for some reason, was ever nominated as chief executor, or as chairman. [Incumbent] would have been happy to have seen him in that position and he would have- that's why he appointed [Non-Executive/executor –financial] as chairman, because he trusted these people emphatically." [Mary – PA/confidante to father/incumbent]

Interestingly, the relationship was again with both Ken and his father, suggesting the need for advisors to be trusted by the key family members, not just the incumbent, in order to become influential in the succession process. The relationship has continued with Ken since the father's death. As in the case of the Non-Executive/executor – legal advisor, this duration of interaction was identified by the interviewees as an important characteristic of the tie.

Again there was a personal dimension to the relationship with this advisor. He became a friend of the father/incumbent's and was seen as being personally committed to achieving the best outcomes for the family and the business, and investing additional effort to accomplish these:

Interviewer: "How would you characterise your relationship with [Non-Executive/executor – legal]?"

"I actually - 'cause [Non-Executive/executor – legal] did the buyout in 2001 with me and, and with [tax advisor]. And I would say to you that I have nothing but the greatest of admiration for both [of them], not just as lawyers and tax - their commercial nuance. They're brilliant. They're actually brilliant. And they actually are - they really root for the company in a way that's not professional. Do you see what I mean? It's, it's personal." [Ken3 – DC&ED]

The personal connection did not, however, extend to the father/incumbent or Ken and the advisor socialising together, nor did it have a strong affective element.

The relationship with the lady (Mary) who was the father/incumbent's PA and confidante had a much stronger affective dimension. Mary's relationship with the father/incumbent had started in the 1970s when she had worked for him and his late wife running their house and helping look after their six children. She was invited to come back to help the father more than twenty years later. Thus the relationship developed over many years, consistent with Granovetter's (1973) emphasis on tie duration as a key feature of strong ties. During this period the relationship evolved and had several facets:

> "…For me, she wore several hats, really. She was my father's PA, she was also my father's trusted friend. He was a very demanding man and she made herself available to him 24/7…He would ring her 24/7. She would answer the phone to him. She gave him a very steady friendship, I would think, and he trusted her enormously, and my sisters resented that. I didn't. I felt that she provided a caring role for him too, especially when he was on his own after [his partner] died, that she provided a very caring role for him and I felt it took a lot of the burden off me. I didn't have to worry about him. I could have a relationship where I could ring him and we could just talk and I didn't have to worry about who is putting food on his table. She ran the house, she ran his life. She used to book his flights. He had staff in the house. She ran the whole thing seamlessly. She was just so trustworthy. Towards the end, he actually said to her, 'You're my rock,' and she was..." [Linda3 - shareholder]

There was a strong utility dimension to the relationship with the father/incumbent relying heavily on Mary on a daily basis. There was also a strong personal and affective dimension. Part of this probably emerged because the father no longer had a steady female partner in his life and was not particularly close to his children but needed this type of support:

> "But certainly in terms of what I would call - I'm not good at what you call the 'emotional stuff', so I, I would never - and, and only when dad died did I actually give him a kiss, you know, though I helped him out of the bath when he was dying. There was none of this, sort of, lovely, cuddly. It was always, sort of, distant. Whereas [Mary] was much more emotional with him, the emotional stuff…" [Ken3 – DC&ED]

Part of this personal relationship was the role Mary fulfilled as confidante. Her role as a listening ear who provided an honest opinion when this was sought was arguably influential in shaping the transition dynamics:

> Interviewer: "Did [father/incumbent] generally discuss things with you in terms of succession planning?"

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"Yes he did, yes he did. He would say things like- I suppose he would ring me and [he] had no restrictions…He didn't- time wasn't a thing that he thought about. And I never had a difficulty with it because I knew he would be calling me if there was something on his mind…And then many times there would be something on his mind, he would give a call with regard to the estate…and he might ask my opinion, and I would always give an honest opinion…" [Mary – PA/confidante to father/incumbent]

By virtue of being privy to the father/incumbent's private thinking and having an input from a family/emotional perspective Mary helped shape the decisions made by the father/incumbent. This was particularly the case as she was the only individual in this space; the other advisors were contributing on the 'harder' legal and financial aspects. In this way Mary's relationship with the father/incumbent was in line with Granovetter's (1973) strong tie conceptualisation as one combining emotional intensity, intimacy (mutual confiding), reciprocity and duration of contact. Indeed, the absence of the emotional intensity and intimacy dimensions from the relationships with the other three advisors suggests that the Granovetterian notion of a strong tie needs to be questioned.

Central to the personal dimension of the relationship was the trust between Mary and the father/incumbent:

"The relationship with [father/incumbent] was based on an element of trust and that I would do the right thing. He wasn't always looking over my shoulder. It was really organising things. I organised absolutely everything… Then [he] began I suppose to respect me as a person he could really trust. He started to talk about what his plans were… then he said at that stage that he was appointing me as an executor, and I was the only female executor." [Mary – PA/confidante to father/incumbent]

The trust had developed in Lewicki and Bunker's (1996) terms from a KBT to an IBT with a notable affective dimension (McAllister, 1995). It resulted in the father/incumbent appointing her as the third executor of his will, reflecting the extent to which she had become embedded in the family. It is notable that none of the family members were appointed as executors. Instead it was Mary who was judged to have the trustworthiness, integrity, and understanding of the family dynamics to fulfil the role as representative of the family's interests. Given the family tensions appointing three external individuals was probably a wise decision, however, the responsibility placed on these individuals was

substantial. Mary was present along with some of the family members when the incumbent/father died, indicating the extent of her closeness to him and the recognition of this by the family.

As confidante and executor Mary made a particular contribution, shaping the FuelCo transition at a critical juncture. Ken attributed his opportunity to return the business in an executive role following his breakdown as down to Mary's intervention:

> "…actually when I was off unwell, [name of a sister] was telling [my father] that I was never going to recover...She would've told dad that '[Ken's] never coming back... He's a wreck. He's never coming back'. And dad would have listened to that. [Mary] changed his mind...and said, 'you're wrong. [sister] doesn't know' and [Mary] actually came to me when I was ill and basically said, 'you have to get back to work now. You're being written off'…[Mary] was critical, and critical when he'd go and see [sister] and he'd come back. And the first person he'd talk to was [Mary]…" [Ken3 – DC&ED]

Mary's account aligns with that provided by Ken, indicating that the father/incumbent explicitly said to her that she was right about the need for him to welcome his youngest son back into the business. Without her input Ken would probably have been sidelined, not coming back as Deputy Chairman and an executive director and unable to play the key role in working with his father on the legal and financial planning for the transition. The closeness, trust and respect which characterised the relationship between Mary and the father/incumbent enabled this sensitive discussion to take place and for the latter to listen to his confidante's input. These characteristics have continued in the relationships between Mary and Ken and Linda, despite her no longer being involved in an employed role since the death of the father/incumbent. Again this suggests that a good relationship between the external individuals and the key family members besides the incumbent is necessary for individuals to be brought into and remain in the sensitive and private FBS sphere.

Overall Mary had a distinctive and arguably unusual relationship with the father/incumbent. The relationship suggests the range of the type of external ties which need to be considered in terms of potentially influencing intergenerational transition processes. Of course, the fact that the father/incumbent could not be interviewed means that the interpretation is, to some extent, conjecture.

Nevertheless, the detailed discussion with Mary and the alignment between this and the perspectives of the other two interviewees provides a level of confidence in the interpretation presented.

6.4.6 Impacts on succession process

As indicated, relationships with external individuals had tangible impacts on the FuelCo succession process. In terms of specific examples, the role of Mary in convincing the father/incumbent to allow his youngest son, Ken, to return to the business following his breakdown has been discussed. The impact of the 'Non-Executive/executor – financial' on the precise split of the shareholding has also been noted. A further specific succession outcome that can be attributed to the influence of interactions with external individuals was the development of the shareholders' agreement. As discussed, Ken's participation on the business school programme gave him a new way to conceptualise the FB and crystallised his thinking on the need for a shareholders' agreement. This was subsequently developed along with the advisors and was regarded as a key document providing clarity in the transition process and ongoing functioning of the business. Nevertheless, as alluded to previously, the extent of the outsiders' direct impact on the succession was arguably not as great as it might have been given the father/incumbent's determination to 'get his own way' and the way in which advisors were not called upon to fulfil certain functions, such as supporting improvements in how family members interrelated.

6.5 Conclusion

Several themes emerged from the FuelCo case. Succession in this FB context was conceived of very much in terms of ownership, rather than the passing over of management responsibility. The strained intra-family relationships and the father/incumbent's reluctance to relinquish control had distinctive impacts on the nature of the transition. Nevertheless, there was input by advisors into the process, particularly driven by the youngest son's (Ken) influence. Existing ties were drawn upon to identify trustworthy individuals with a proven track record and these advisors provided a range of resources to the family members. Four external individuals played notable roles in shaping and supporting the transition. The discussion on these relationships illuminated the multidimensionality of the roles and the critical importance of a basis of trust

which developed significantly over time. As well as utility and trust, a strong personal dimension to these ties was identified.

Chapter 7

7 HOTELBIZ

This chapter sets out the third in-depth case study focusing on the HotelBiz FB. As in chapters 5 and 6, company summary information is followed by a case description setting out the FuelCo company history and family involvement. A data structure diagram is provided followed by detail of the findings that emerged from this case.

7.1 HotelBiz characteristics

Table 7.1: HotelBiz characteristics	
Year founded	1990s
Sector/industry	Hoteliers
Location(s)	NI & Republic of Ireland
No. employees	c.230
Financial information	Turnover £5.68million; profit after tax c.£0.35m (ye 30 Sept. 2013)
Ownership	100% family owned – share ownership divided between four family Directors and a family trust
Generation in leadership	1st gen founder is MD; 2nd gen members are Operations Director and Marketing Director
Active family members/ generations	As above plus the Founder/MD's wife is a Director and shareholder

Figure 7.1: HotelBiz family involvement chart
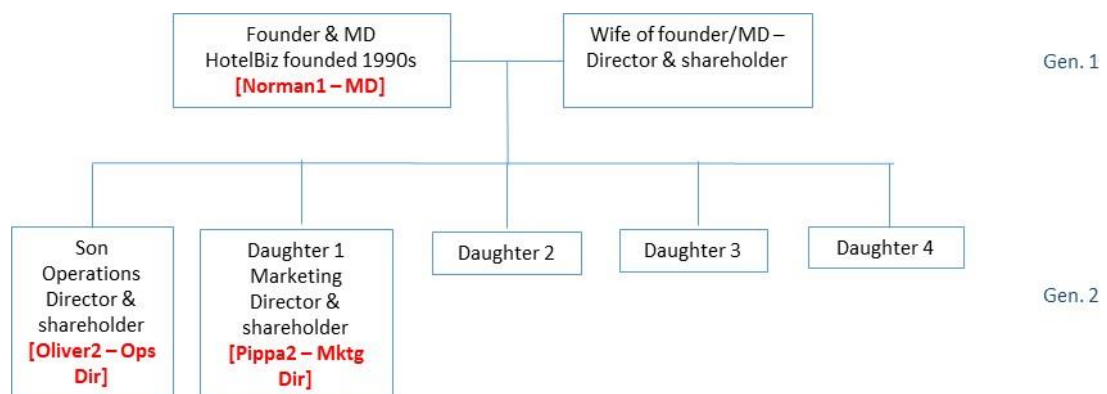
Table 7.2: HotelBiz interviewee characteristics

	Norman	**Oliver**	**Pippa**	**Queenie**[12]
Current position	MD	Operations Director	Sales & Marketing Director	Director, business consultancy firm
Length of time in firm	Since establishment in 1990s	c.2 years	9 years	Worked with HotelBiz 3+ years
Family position	1st gen – founder	2nd gen – son of founder	2nd gen – eldest daughter of founder	n/a
Age	60s	30s	30s	40s
Gender	Male	Male	Female	Female
Education	Worked in hotels/restaurants since school. Qualifications in catering, hotel management and business	University	University	University & professional consultancy qualifications
Work experience outside FB	In various hotels/restaurants. Owned a restaurant before establishing HotelBiz	c.15 years in hotels in Ireland	Came straight into FB after graduating	Worked in organisation development unit in a FB in US before joining NI branch of consultancy firm c.14 years ago
Interview location	Hotel conference room	Hotel conference room	Hotel conference room	Meeting room at consultancy

7.2 Company information

HotelBiz is a family-owned and managed hotel business with four hotels in the group. The group has approximately 230 bedrooms, as well as a range of function and conference facilities. Overall the business managed to grow during the recession in NI since 2008, despite significant trading and competitive pressures. It invested €1.5 million in the buying and renovation of the latest acquisition in the Republic of Ireland, indicating a robust level of confidence in the business and the economic recovery. While the hotels do a strong trade with local people, they also appeal to the international tourist and business market.

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[12] Queenie focused primarily on her general experience working with many FBs over the years.

As outlined in a press article, a community based ethos underpins the family's approach:

> "All our hotels are very much what we call family-focused and locally-based…You can see that at [names of hotels], they are all situated within communities, that's deliberate, that's how we work. We're a successful corporate business but we work off that base."

HotelBiz is 100% family owned. Until 2014 there were only two Directors and shareholders – the founder/MD (Norman) and his wife. As part of the succession planning this was changed to bring their two children who work in the business on to the Board as Directors: Oliver (the eldest child and only son) became the Operations Director and Pippa (the eldest daughter) became the Marketing Director. Each received a 5% shareholding while their parents reduced their shareholding to 20% each. The remaining 50% shareholding was placed in a trust, recognising that there are three other children who are not currently involved in the business but who may some day become involved. There are no non-family or Non-executive Board members.

7.3 Company history and family involvement

Norman1 – founder/MD began working part-time in the kitchens of a NI hotel when he was twelve years old, climbing up the ranks over twenty years. It was his ambition to have his own business and eventually he left and opened a restaurant and then an inn. After a few years the opportunity arose to purchase the hotel where he had started working as a boy. From this point he set about developing and expanding the business. When Norman bought the first hotel his wife, who had just had their fourth child, gave up her teaching career and became a director, owning 50% of the shares alongside her husband. While the she never had a formal role, Norman explained that her support was essential:

> "[Name of wife] has been very supportive over the years with us. Obviously she doesn't work in the business day to day, but…she was at the accounts meeting the other day. She knows all that's going on in the business. Every evening I go home she will say, 'Well, what happened today?' I update her with what goes on. She's very much an integral part of the business too." [Norman1 – founder/MD]

It was Norman's wife who made sure that he did not pressurise their children to come into the business. Nevertheless, two of the couple's five children did enter

the FB. The first to join was their second child and eldest daughter, Pippa, who joined after university. However, that had not been her original plan:

> "Growing up I suppose I kind of thought I'm never getting into that, they work all the time, there's no free time. That very much carried on until I was at university even. I was doing business studies specialised in marketing and thought I want to go into product marketing, I don't want to go into hotels and tourism. When it came to placement year dad said like they were opening…a new hotel in [town] and he said, 'You're not going to get any better experience in opening and launching and it's an international brand and working with that.' I came on for the year and then fell in love with it and just kept going. It's one of those things that gets into your skin." [Pippa2 – Mktg Director]

The founding couple's eldest child and only son, Oliver, also did a degree in hotel management but then went to work in hotels in the Republic of Ireland. His father was delighted when it transpired that his son wished to enter the hotel business. However, there remained uncertainty about whether he would ultimately join the FB:

> "…when we first entered the [succession planning] process, like I said a lot of the sisters were still at university, [Oliver2] was off doing his own thing. He talked about potentially coming back to the business someday, but we didn't know whether he actually would, he went travelling off to Australia and we're like we don't know if he's going to come back." [Pippa2 – Mktg Dir]

Oliver finally joined HotelBiz in 2013, coming in as Operations Manager 'right underneath' his father. Oliver emphasised that had he sought to gain extensive experience in other hotels before coming into the FB so that he would come 'with something to bring back' and thus have the necessary credibility. Pippa explained how she had been formally interviewed for the marketing manager job, nevertheless, she felt the need to prove that she was not the marketing manager because she was the boss's daughter. Over time she noted this sense of self-imposed pressure had lessened:

> "I suppose I've learned to be less apologetic really for being a family member because at the start I think it was, especially being young I was shy and bashful about the thing and I really wanted to prove that I was worth the job I was doing." [Pippa2 – Mktg Dir]

While the longer-term position on the ownership of the business remained to be fully worked through, the agreed plan was that Oliver would take over as MD in the next few years:

> "That's why [Oliver] is now in as operations manager, operations director. He obviously ultimately will be sliding up the scale…That I become the chairman of the company and he becomes the managing director…That will happen. That's all agreed that that will happen. I don't think there's an actual date set, but there is certainly an age or thereabouts. We said it would happen between three and five years, and it probably will." [Norman1 – founder/MD]

The HotelBiz succession process could be characterised as being at a relatively early stage. The company has been proactive in thinking about and planning for both the leadership and ownership transition, drawing on professional advice. The family conceive of the succession in terms of both leadership and ownership and are progressing both dimensions in parallel in their transition strategy. To date the increasing involvement of the children and the discussions about succession have been amicable processes. In part this has been due to the good intra-family relationships (discussed below). It has also been due to the effective facilitation and advice from the FB consultancy unit. Queenie (external consultant) was the main individual from the unit with whom the family worked.

7.4   Findings

A summary data structure is presented in Figure 7.2 and additional representative quotations in Appendix 16.

Figure 7.2: HotelBiz data structure

1st Order Concepts

Differing incumbent-next generation relationships:
- Incumbent-main successor: close, legitimation
- Incumbent-daughter: close but subtle gender issue

Intra-family relations strong and further strengthened by succession planning process to date

Longer-term uncertainty re. family business ownership as family circumstances change

Ethos of learning and openness to external thinking

External stakeholders influenced decision to embark on succession planning, including experiences of other family businesses

Cross-boundary relationship initiation phase:
- Drew on existing network ties to involve single main external source of support and advice re. succession
- Strong and weak ties bridging to new contacts
- Trust factor in enabling formation of the critical external tie

Multifaceted resource flows from key external tie to support the succession process:
- Broadening perspectives
- Opening & embedding lines of communication
- Triggering action
- Impartial and experience-based advice
- Facilitation
- Issue identification and analysis
- Joint solution development
- Ensuring emotional dimensions addressed
- Providing reassurance

Strong tie provided heterogeneous resources

Multidimensional relationship with key external advisor:
- Relationship with more than one family member
- Deep understanding of family & firm & commitment to their success
- Basis of mutual respect & sense of rapport
- Trust basis

Prolonged duration but infrequent interaction after initial engagement process

Specific impacts of external tie on succession process to date:
- formalisation of principles, structures and documentation
- enabling smooth entry of next generation

2nd Order Themes

Strong family relations underpinning effective succession planning process so far

Valued external input – key in triggering succession planning action

Existing ties extended to bring in one main trusted external source to support succession

Tie utility: multifaceted resources accessed through external tie to support succession process

Multidimensional relationship with external advisor shaped succession process

Influence of external advisor on key aspects of succession

7.4.1 Incumbent-next generation relationships

The HotelBiz family had strong intra-family relations. This was stressed as critical to the smooth nature of the succession planning to date:

> "Thank God that we have a good family relationship, and we don't have that. 'He's getting that', and, 'Why is she getting that and I'm not getting that?' 'Why are they…?' There's no jealousy that I see in the family, that, 'Oh, they're getting more than me.'" [Norman1 - founder/MD]

> "I think that we do have a lot of respect for each other which is one of the great things about the way it seems to be working at the minute. We have respect for each other's positions, each other's knowledge, we all come back from a different angle but towards the same goal which is very helpful and insightful. We all lean on each other with different strengths and weaknesses…It works very well…" [Pippa2 – Mktg Dir]

Drawing on her experience advising FBs Queenie identified difficulties between siblings as a common source of problems in succession processes. However, the HotelBiz intra-sibling dynamics were largely positive. One of the only instances of intra-family tensions was identified by Norman in relation to the salary paid to his children:

> "The only bit of tension was I suppose [Pippa] working for me for nine years, and she says to me one day, 'I hope [Oliver] doesn't get paid more than me.' I goes, 'he will get paid more than you.' 'Why?' I goes, 'It's very simple. He's me, and I like to think that he is developing the business upwards, and seeing the next opportunity, and going for it. You in marketing, and no disrespect to you, yes it's a very important role, yes you must do your marketing job, you must make sure we get out there, and get our name out there, and make sure it happens, but really you're not an entrepreneur. You're not going to see the next opportunity. You're not going to develop the next opportunity. You're basically…' [Oliver] put it quite lovely. 'Now, [Pippa], we buy it, you sell it.'" (Laughter) [Norman1 – founder/MD]

This quotation indicates the clarity about the different family roles and the honesty deployed in discussions about potentially sensitive issues. There was also clarity among the children working in the business that it was still their parents' business, with no sense of entitlement about their right to a share of the ownership at this stage. This position probably reflected the early stage in the succession process, the relatively young age of the children, as well as the strong intra-family relations.

The HotelBiz family members felt that engaging with the consultancy firm and, in particular, Queenie, in a structured succession planning process which included all the family members further strengthened the intra-family relationships. Lines of communication were deepened and an enhanced sense of trust engendered through the facilitated process:

> "I definitely think that it's one of the best things we've ever done as a business, is looking at it from, like I said before, like an early advancement into it…The fact that we all came together and yes, at times it was difficult or was emotional or it was draining, hearing other people's perspective of different things. Ultimately it's made us very strong as a family business but also as a family that we're all very open and trustworthy and could say if we have a problem…I think it's helped the business go forward too, because it's helped the business growth because we know that we can trust each other and we recognise each other's strengths and weaknesses." [Pippa2 – Mktg Dir]

Strong relationships within the family included those between the incumbent (Norman1 – founder/MD) and the identified main successor (Oliver2 – Operations Director). While he did not articulate it in explicit terms, it appeared that although Norman valued his daughter's role, he was more enthused about his son wishing to enter the hotel industry and, ultimately, the FB. A gender dimension may have been a factor here with Oliver being the only son as well as the eldest child. This aligns with the literature which notes that FB succession is often biased by gender (Wang, 2010). Perhaps more importantly, in contrast to Pippa, Oliver gained wide-ranging experience in other successful hotels and was seen by his father to have an entrepreneurial orientation. He was identified by the father, at least privately, from an early stage as the prospective successor and this planned trajectory was clarified and formally agreed through the succession planning process facilitated by Queenie. Norman felt comfortable with the prospect of relinquishing control to his son. As well as Oliver's experience, this was due to the good relationship between the two men, which was founded on respect, a shared focus on what was best for the business, as well as an easy-going personal bond:

> "Me and my dad have always had a good relationship, I think, anyway. No, for me, I respect him for setting up the business as he has and growing the business. I feel like we respect each other's ideas and listen to each other's ideas, what's right and what's wrong, and we both understand that we're doing it for the best of the hotels and things, you know. We speak every day, anyway, so every little thing we come

across, we tell each other…we've always had a good relationship. It's quite an easy relationship." [Oliver2 – Ops Dir]

There appeared to be an element of characteristic-based trust grounded in social similarity (Zucker, 1986) with the father's confidence in the son at least partially based on how he believed his son had a similar approach to himself:

> "I say, 'Well, you do that today, and that's okay. Let me know.' But then I have the confidence that he will do the same thing as me, ask the same questions as me, and come back with the same answers that I would look for, because we will come back, we will discuss it." [Norman1 – founder/MD]

At the time of interview it seemed that both the children involved in the business were content and not impatient to have a greater management role or ownership percentage. Norman remained very much at the helm as MD, although he explained that he was coming to terms with the need to 'let go':

> "You know something? From my own point of view, a few years ago I would have been absolutely petrified of this, thinking, 'I'm giving control away. I'm giving it all away.' It's going to the trust. You realise you've just given away 50% of your business. Now it seems it's evolving at a pace that is nice, you're not being rushed into it, and you get comfortable with it, knowing that…I know my business, I know my son is going to take over. I know I'm not going to have to deal with things where it used to be I would …" [Norman1 – founder/MD]

However, there were indications that Norman had yet to fully reconcile himself to the prospect of giving up control and it may be that the next generation could find themselves frustrated by a lack of freedom to lead the business in the years ahead. Oliver's comment hinted at something of the uncertainty around the matter:

> "…I think it's more, because in our minds, it's our parents' business. So they're the ones that are dictating it at the moment. Then, a problem might come down the line, yes, whenever that is starting to change over. I don't think any of us will be jealous of another one. Hopefully, my dad won't feel like he's getting pushed out, or I won't feel like I'm getting pushed forward too quickly." [Oliver2 – Ops Dir]

In line with the literature (Handler, 1994; Stavrou, 1999; Lambrecht, 2005; Filser et al., 2013), Queenie had witnessed issues relating to the incumbent's inability to 'let go':

Interviewer: "And in terms of the work you've done with family business in succession, in terms of your role as facilitator and advisor, what are the main issues that tend to come up?"

"Definitely the capabilities of the next generation, and concerns that the current generation would have. Also whilst a lot of your founder owners would say to you, 'I'm ready to give up a certain amount of control; I'm going to keep financial control because generally the business can't afford to fully relinquish control over the business. So I'm ready to give up financial control and I'll tell you I'll pay lip service to me giving up management control, but I don't really want to give it up.' So definitely the readiness of the current generation to move into a different role…" [Queenie – external consultant]

While this possible future issue was not explicitly identified by the family members, there was another issue that was recognised by the founder/MD. This was around the longer-term configuration of the share allocation. Norman recognised that the future picture could be complicated by the fact that the three children not currently working in the business may come into it at some point, and by children getting married and having children of their own:

"…[name of child not working in the business] did her degree in accountancy … That doesn't say that in five/ten years that she'll not be back on the board as the financial director. Well, if she is then she will add something to the business…You can't go, 'Well, you're getting 5% and you're getting 30%'…so it's really difficult. We can't set out today that 5, 5, 5…Because in ten years' time they could be all be in it again, and all be contributing to it… I suppose we're a first generation business, which makes it a lot easier…At the moment I can keep it very, very controlled..." [Norman1 - founder/MD]

Thus relational dynamics within the family were likely to change as the family circumstances develop over time which may destabilise the strong relationships and smooth transition process to date. Queenie was aware of the potential complexities that may be introduced:

"…there are five children, none of the children are married at the minute and we've worked quite hard with them on succession and family constitution work. There's two of the family members involved in the business, the other three aren't. There's been shareholding conversations, there's been a contribution given to those who have been involved in the business, and one of the big pressure points that we have talked about very openly with, is them, as you're a very tight and strong family unit, that's not going to be like that forever because it's going to change at some stage either with another person coming in or somebody leaving in the context of death or loss. And so we're working with them on the preventative side of that, to sort of say, on the day that one of your sons

or daughters get married, there's a role that that spouse needs to play in the relationship long-term within the family business, because they will play such an important role at home, and so they have to be included. And that's a really hard thing for family businesses to get their head around." [Queenie – external consultant]

It seemed that the family members had not yet fully appreciated the potential gravity and consequences for the succession process that could come from family changes.

7.4.2 Openness to external input

Another factor that contributed to the smoothness of the transition so far was the support and advice the family received from the external consultant, Queenie, and her FB unit consultancy colleagues. This close working with an external individual reflects a general openness on the part of the HotelBiz family to external thinking and input. Early in his career Norman recognised the value of academic tuition and completed a series of qualifications despite a heavy workload. Similarly, in addition to her degree, Pippa completed several diplomas in marketing to bring new perspectives to her approach. Oliver participated in a leadership programme run by a local university designed specifically for prospective FB successors. The course was developed by the university's leadership institute in conjunction with the consultancy house with which the HotelBiz family worked on their succession planning. Oliver's investment in the course indicated his appreciation of the challenge he would face taking over a growing FB and the need to develop skills and access external support to assist him in the transition. There is consistency with the literature which emphasises the importance of successor preparation, including external experience, in FB succession (Venter et al., 2005; Ip & Jacobs, 2006; De Massis et al., 2008).

Oliver's involvement in the course reflects his recognition of the importance of external experience, having worked for fifteen years in hotels across Ireland. While Pippa came into the FB straight from university she also sought external reassurance when she was unsure whether her marketing activities were keeping pace with rivals and she was uncertain whether remaining in the FB would provide her with sufficient development opportunities:

> "I really definitely felt that from myself, that am I doing enough? Is it enough, could somebody else do better? To the point where I actually spoke to dad about it, this was years ago and said, 'I don't know whether I'm doing this right or if there's something more I should be doing.' He phoned [head of marketing in large family-owned hotel group] and asked could I go over to their head office for the week. So I went and spent a week there to see how other family hotel chain ran and to see if there was anything I was missing or different things, which was very good, they let me in and see around and spent the week doing different things with them." [Pippa2 – Mktg Dir]

Another means by which Pippa sought credibility and kept abreast of industry developments was to become involved in representative and networking bodies.

However, the family's openness to external thinking and input should not be overstated. For example, HotelBiz did not have any Non-executives on its Board. Queenie explained that FBs that she had worked with on succession matters usually came to appreciate the contribution an outsider can make:

> "And then the non-execs, as I said, we generally, from a non-exec point of view, we normally place non-execs on boards for family businesses that we have worked with through a process, and advise that a family business considers a non-exec role, because it kind of maintains that… family to be constantly challenged on the business from a non-family point of view, so get a non-exec on the board who can actually do that for them. And as well as the fact that your non-exec can also provide expertise, depending on what the business needs… I think once they've been through a process they're a lot more open to it and they recognise the benefit of having an independent…" [Queenie – external consultant]

Despite having been through the type of succession planning process alluded to by Queenie, HotelBiz had so far resisted appointing a non-executive director.

While a non-executive input remained one that Norman had yet to embrace, his general understanding of the value of external input was seen in his participation on a course about FB succession. This course, run jointly by a local university and two consultancy organisations, was important in prompting him to take action about planning the transition. The course introduced FBs to the main issues involved in succession and offered advice about how to begin the process. Participating in the course also exposed the family members to the succession experiences of other FBs. Both Norman and his daughter, Pippa, retold several 'horror stories' of FBs they had met on the course:

"Then there was another one, a man who had a window business, a Scottish one, and the father was old school like, you closed from one to two for lunch and all this type of thing…He was married to the daughter, so there was a daughter and a brother, and the brother really wasn't interested in the business. The father says one day to the daughter, 'You have 40% of the shares. The son has got 40% of the shares. We're keeping 20% of the shares. That's the business.' The son-in-law did a deal with the brother to buy him out, so he became the majority shareholder, and the father has 20%. He always thought, 'Well, 20 and 40 make 60. I will always have the power, no matter what happens.' He was totally not interested, and that did not go down very well, which I can understand. (Laughter) It would be like me and they all club together and the next thing you're a minority shareholder. 'You should now pack your bag and go home'..." [Norman1 – founder/MD]

In this quotation there can be discerned a sense of the founder's fear that if ownership transition was not properly planned a scenario could emerge where, despite strong intra-family relations, he could be out-manoeuvred by his children and lose the business he had worked so hard to build. This fear was part of a realisation by Norman that succession planning was a complex task and one about which he needed to take concerted action:

"Yes, well I think after the talk that my father went to, he suddenly realised, 'This is a massive area and there's massive risks associated with it, or problems associated with it.' At that and think there was a lot of horror stories told of things that went wrong between different families…So I think that definitely influenced him into thinking, 'We need to look at this.'" [Oliver2 – Ops Dir]

The course was an important trigger for the HotelBiz family members turning their minds to succession planning. This was reinforced by pressure from another external source – the bank:

"…I think the bank had pointed out that we should start thinking about stuff like this…I think they told my Dad outright, one of the biggest risks or problems to our business, was my dad because he was the be all and end all of it, if you like, at that time… If something happens, suddenly the business would be at risk. Whereas, now, we've much more of a structure there…" [Oliver2 – Ops Dir]

7.4.3 Existing ties utilised to extend network to trusted other

There was an interesting development of network ties that led to HotelBiz engaging with the external consultant. Norman1 – founder/MD explained that as his business grew he realised he needed more specialist tax advice and therefore contracted a consultancy house with the necessary expertise. In due

course he also started to use this firm for auditing services. It was the FB unit within the consultancy, and specifically Queenie, that HotelBiz ultimately used to support them through a structured succession planning process. However, making that specific connection came through Norman's attendance on the introductory course on succession referred to earlier and this, in turn, came through an existing tie with an individual who had done some marketing-related work for HotelBiz. Norman explained how his existing networks were utilised:

> Interviewer: "How come you did the course, you took that decision?"
>
> "…there's a company called [name], and they won some contract to deliver succession planning in FBs. They had actually done a bit of work for me… We decided to rebrand [a hotel], and we did it ourselves… We had it all done, all branded, all ready to go, and then we got cold feet, so we brought in [this company], who had done a job for the [industry representative body] I was the president of, and that's how I got to know them. I asked them to come along…We gave them the brief. They said, 'It's a four day job. The fee will be £3,000, £750 a day', and we go, 'Well, that's fine.' After the second day, halfway through it, he goes, 'You know what, guys? You have hit the nail on the head, you've done this right. What you've done is great. I can't add any more to it, and I'm only wasting your money if I stay any longer…' That was nice to hear that. Then they got this contract to deliver succession planning. They came to me. You're supposed to tender and put in application forms and all of that. He said, '[Norman], your business is ripe', because he obviously knew quite a bit about the business and were aware, and the structure of it all. He said, 'Look, I think you would be an ideal candidate to go on this course.' I went and put an application in…That's how… Then [Queenie] was delivering this programme." [Norman1 – founder/MD]

The lengthy quotation indicates how Norman drew on existing network contacts to eventually come to work with the external consultant on succession planning. There was a chain of linkages made from the previous work done by an organisation for HotelBiz, through to this organisation then running the introductory course on succession planning, through to Queenie who was helping to deliver the course. The connections made align with Granovetter's (1985) emphasis on personal experience as the basis for trust in interpersonal relationships and his contention that,

> 'Better than the statement that someone is known to be reliable is information from a trusted informant that he has dealt with that individual and found him so. Even better is information from one's own past dealings with that person' (Granovetter, 1985: 490).

The individual who convinced Norman to attend the course was acting in a way typical of weak ties by acting as a bridge to new contacts (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2005). Norman was already working with another part of Queenie's consultancy so there was an element of him being able to 'roll over' his expectations from a well-established relationship to Queenie about whom he did not yet have sufficient knowledge (Uzzi, 1997; Kramer, 1999). The consultancy had proved its expertise and reliability through providing accountancy services to HotelBiz over several years and so there was a basis of KBT grounded in reciprocal, recurring exchange and interpersonal relationships over time (Lewicki & Bunker, 1996). This was reinforced by the type of institutional-based trust which allowed Norman to expect that the consultant would behave in an anticipatable way beneficial to his business (Zucker, 1986; Kramer, 1999). Pippa noted the importance of the existing long term relationship with the consultancy in leading to this being the firm used to support them with succession. This dynamic was acknowledged by the external consultant more broadly, when she explained that an existing relationship with the consultancy eased the process for engaging with a FB on the sensitive matter of succession:

> "…if they're a current client of [consultancy] and they have a relationship with one of our guys in here, it's easy because they know at what standard we work and in what way we work, but if they don't know us, there's a bit of testing that goes on." [Queenie – external consultant]

In another example of how existing trusted ties were utilised by HotelBiz to support the succession process, the FB leaders programme that Oliver subsequently embarked on (see section 7.4.2) was run by Queenie and her colleagues along with a local university.

Overall, the way trusted outsiders were identified and engaged with by HotelBiz in relation to the succession process suggests the value of thinking about these ties in terms of the types of trust involved. Trust played a notable role in the way the family members drew on their networks, helping to shape who was involved and to what extent.

7.4.4 Tie utility

Another way to develop understanding of the content of network ties is to consider the resources HotelBiz accessed from and through the external ties. The nature of these resources and how they were used can shed light on relational embeddedness in the FBS context. One of the functions fulfilled by the external consultant, Queenie, both through the introductory course and then in her deeper engagement with the family, was to give them a much better appreciation for the complexity of succession and the need for action:

> "It did give us insight into the amount of work that needed to be done and to succession planning with everything, from looking after the emotional wellbeing of people in the business and outside of the business that are connected in the family, and going forward and shareholdings, tax implications. There was just so much that we sat back and went, 'Oh no, we need to do serious amount of work here.' A lot to think about." [Pippa2 – Mktg Dir]

Without the external impetus it is likely that the family would have continued on with the day-to-day business with limited attention paid to the need for succession planning, under a false assumption that it was a straightforward matter that could be dealt with at a future date. Prior to working with the consultant, Oliver appeared to be particularly naïve about the seriousness of succession issues:

> "It was nothing I ever thought about doing – being formalised or anything. I just thought, 'I'll come back to the family business,' and start working with Mum and Dad and my sister [name]. We all just get on our merry way and didn't think about… I wasn't personally thinking too much about, 'I wonder, are the other three sisters coming back in?' I always felt like if they wanted to, they would be back in. If they didn't, they wouldn't. I didn't really think about, 'Well, what if something happens?'" [Oliver2 – Ops Dir]

The close engagement with the external consultant helped the family plan for succession in a way that encompassed the multiple dimensions, thereby avoiding a common failure of planning in inadequate depth and breadth (Cromie et al., 1995; Brown & Coverley, 1999; Janjuha-Jivraj & Woods, 2002; Malinen, 2004; Ibrahim et al., 2008).

A second major benefit derived from the relationship and process with Queenie was the way it opened up lines of communication involving all the family members:

> "[Queenie] interviewed every one of us individually to see what our thoughts were, our aspirations, what our wish list would like to be, and how we see the business going and where we're going…She interviewed all seven of us…Right down to the last one, to see what their perception was of where the business was going. She then made up a report, and then brought us all together in the same room for the whole day."
> [Norman – founder/MD]

The consultant then collated the information, identified the key issues and presented the findings back to the family. The three family interviewees stressed how this forced articulation of issues which had previously been avoided or assumed. Norman particularly valued how the process gave him and his wife clarity about their children's intentions and reassurance that there was a shared understanding about the future direction of the business:

> "Well, I think it brought out, particularly in the individual meetings, and then bringing us all together, it brought out things that we were scared or didn't want to say to each other, or indeed didn't know how to instigate the talk. It's very much easier talking to someone who has no emotions in the business versus someone who has emotions in the business. It's very easy for me to talk to you today, and be straight and honest, because you've no axe to grind, but I have…You have no vested interest. If I saw a member of the family you'd be either guarding it, in the sense of, 'I'm not telling them that.' Or it could be that you [think], 'I don't really want to burden them with that.' Or, 'I'm not sure what they're thinking', so you're on a fishing expedition. You're trying to fish the information out of them. They're trying to fish out of you. None of you are really showing your hand, with the result that nothing comes out. From that it brought a lot of stuff to the table, and to be honest we were mostly, or we were all, on near enough the same hymn sheet…" [Norman1 – founder/MD]

Even though there were good intra-family relations, there were still issues that had not been addressed that were critical to the trajectory the succession process would take. It was the externally facilitated process of gathering perspectives, analysing these, and then stimulating dialogue that strengthened the family bonds and increased understanding. This input aligns with that identified by Strike (2013:307) as an important role for 'most trusted advisors' in helping

family members in 'collaborative interrelating'. Pippa explicitly recognised the contribution the process made to deepening intra-family trust:

> "…I definitely think engaging early with [consultancy] in the whole process of succession planning has helped the business. I think it's helped with [Oliver] coming back and that transition period, that being so smooth. I think because we had had the conversations about our fears, like his fears about coming back, my fears about him coming back, dad's fears about him coming back and mum's fear for all of us. How it would happen and how the relationships would interact. We had these discussions, they were very open and honest and it really, really helped. It made us like I say trust each other and there was a lot of open conversation. We do know that we're all going for the same goal which is the ultimate success of the business and protecting the family unit at the same time. It makes it a lot easier, and I don't think we would have had it to that extent or known it probably…" [Pippa2 – Mktg Dir]

All the family members noted that the way the process involved the three children not involved in the business was particularly helpful in opening lines of communication and thereby preventing the emergence of possible relational issues:

> "For the family – more for my parents, really – it cleared up a lot of their questions, doubts. I know they were talking about that they didn't know whether… Especially the three outside the business. 'Are they interested at all, in coming in at a future date? Are they happy out?' If, God forbid, something was to happen to Mum or Dad – and whatever the structure of the will was left – if myself and [Pippa] who work in the business would be given the business, would they resent that? Do they secretly harbour things that they want to do in it? All these sorts of questions came out of it and all the answers, at the moment, anyway. The way they're thinking came out of it and was discussed at length, and different scenarios and things…" [Oliver2 – Ops Dir]

Queenie followed a structured model which involved an initial intensive engagement with the family over a few months. Thereafter the family discussed succession matters at regular intervals, facilitated at least for the first few times by Queenie. The first revisiting of the succession plans came two years after the initial engagement and it happened once more a year later, with the intention being for this to then continue on an annual basis. The family members acknowledged the value of this structured process. Without the consultant's institution of this regular and structured process it is likely that the communication would lessen and the documentation become outdated as the pressing matters of running a day-to-day business took over. Thus she fulfilled

an essential function in embedding as well as opening lines of intra-family communication on the sensitive subject of transition.

Another function fulfilled by the external consultant was to focus minds and trigger action. Working with Queenie forced Oliver to become more sharply focused on when he would come into the business:

> "Well, personally, I felt it started my mind working on… I suppose, you don't really think about the age of your parents, what age they are, and how much longer they've got to do the things they're doing at the moment. It was only when, I suppose, you started thinking about that – and especially when it went to the group table meeting, when you started looking at timelines… 'I need to come back in the next 5 years to the family business.' Suddenly, once you start thinking like that, it puts a rush on everything, all of a sudden. You're not panicky, but more realistic…it makes it more real. More, 'Oh, right, okay. We have to start thinking about this.'" [Oliver2 – Ops Dir]

It is perhaps surprising that he had not given more thought to when exactly he would come into the business given that his parents were in their sixties and he had approaching fifteen years of external experience. The family also identified Queenie and her consultancy as having had a vital role in keeping the succession planning process progressing once it had been initiated.

A further important resource the family members gained from the external input was impartial, experience-based advice. Queenie emphasised the range of services offered by the FB unit, focusing on the breadth of issues involved in succession, not just the more conventional areas such as tax and finance advice. Where possible the emphasis was on advising on preventative measures:

> "…at the heart of what we do is essentially family business and that sort of pure advisory that we call it…We generally try to do more preventative type family business work…In a sense to stop things from going wrong, so to highlight where the big pressure points are for family businesses in the context of succession and try and put in place, I suppose, the guidelines and the blueprint of, this is how to do it to ensure that things don't go wrong." [Queenie – external consultant]

With their early engagement with the consultant the HotelBiz family were being proactive, rather than waiting until a transitional crisis had materialised. Queenie commented on the benefits of this early engagement, acknowledging

that her firm was often brought in once a family had encountered problems, making the advisory process more challenging.

In providing advice the consultant stressed that impartiality and a focus on what was best for the business rather than individual family members were integral to the approach. The family valued the way the consultancy was well placed to advise on all the facets of succession. As well as detailed advice on tax implications, constructing a shareholders' agreement, and restructuring the share ownership structure, the consultancy provided advice to the children on assuming the role of director:

> "…they sat down and they explained that there's these shares, these A shares, B shares, and C shares, and how much shareholding is in each pot and what pot everybody sits in, the implications of that…[consultant] came out and discussed what it meant to be a director, and all the implications that would go with it, the responsibilities, financial, legal and everything else so that we were fully aware of what you're doing…" [Pippa2 – Mktg Dir]

The ability of Queenie and her colleagues to provide appropriate, impartial advice reflected their professional training and experience working with FBs. These characteristics align with those Strike (2013) identifies in her study of North American FB 'most trusted advisors' where legal, accountancy and taxation backgrounds coupled with prior FB experience gave the advisors credibility, the ability to capture family members' attention, and the capability to anticipate issues the family may not have previously considered.

Alongside advice, an important function fulfilled by Queenie was acting as a facilitator. Indeed, she saw the facilitation and advisory modes as closely interrelated:

> "Because [the family are] going to be then more likely to be engaged in the solution and then it's about getting them to come up with the solution essentially and so whilst there's an element of us kind of leading them down a particular path or a particular route because we know it's the right thing for the business to do, in the first instance you facilitate that. And then once you're – once they nearly accept the fact that they want your advice, then you move into an advisory type mode." [Queenie – external consultant]

The consultant followed a methodology developed by her consultancy to structure the process of engaging with a family on succession matters. This

holistic approach differed from the input that, say, a legal or financial advisor might have on a succession process where they are addressing a particular facet. She emphasised that the interpersonal and facilitating skills of the advisor, as well as being transparent about the process, were critical to the effectiveness of the approach. The family appreciated the contribution of the facilitator in keeping the process focused, moving forward, and inclusive. For example, Pippa noted the importance of the facilitation in relation to the changing of the shareholding structure:

> "The next step was to speak with the girls and that was facilitated in one of the meetings with [Queenie], one of the annual meetings and sort of said, this is what they were planning to do, this is what the percentage that they were planning to give [Oliver] and I, how this impacted them and what their rights and different things were. This was all facilitated again with [Queenie] so that they understood exactly what it meant for us, what it meant for the business and what it meant for them as well. Then they had their opportunity to question…" [Pippa2 – Mktg Dir]

The facilitative approach was interrelated with another function performed by Queenie - issue identification and analysis. An important aspect of interviewing all the family members, analysing the responses, and then bringing the family together to discuss the outputs was to help HotelBiz identify what were the 'big pressure points' for the family and the business. The focus was then on advising on how to prevent these issues from developing into problems:

> "…you do the combination of the one to one working and the group work, the one to one work results in a report that we would then use to sort of say, 'Here are the big pressure points within your business.' That's not our opinion on where the pressure points are, that's coming from the alignment or the misalignment of the people round the table. So it's our foresight to sort of say, 'These are the areas that we think you need to prioritise in terms of preventing this from all going wrong. And these are some of the roadblocks that you can identify.'" [Queenie – external consultant]

As suggested by this quotation, the participative process driven by the consultant extended to assisting the family to develop solutions to the issues. An important part of this for HotelBiz was developing key documents articulating the main principles, rules and procedures for the business in terms of ownership and succession matters. In particular, a shareholders' agreement and a family constitution were two tangible outputs from the process:

> "…there's been shareholders' agreements drawn up and there's a family constitution of different roles about shareholding. Going forward say whereas my kids, would they have a right to the business or would they not, or if somebody gets divorced what would happen, those sort of shares, different trusts and different things that they would be…"
>
> Interviewer: "So has [consultant] helped you with all of that process?"
>
> "Yes, absolutely, otherwise we would be sat there and going 'we don't know, what do you think, what do you think?'" [Pippa2 -Mktg Dir]

As suggested by Pippa, this formalisation of documents and structures would have been unlikely to have happened had the family not engaged with Queenie. The multiple views, lack of familiarity with the issues, and the pressures of running the business would probably have prevented the family being able to produce the necessary documentation.

Addressing the emotional dimensions was essential to enabling production of the underpinning structures and documents. The guiding of attention by Queenie from a neutral standpoint helped the family to explicitly explore the often underappreciated emotional aspects of succession:

> "I would certainly find that it's a lot more emotional than people in the family businesses think that it's going to be…And in a sense that we, and whenever I say we ready them for succession, we're very clear with them in terms of what they can expect to go through, and it is an emotional rollercoaster…And there are tears…You have to allow the emotions to come out otherwise they're stuck somewhere and you haven't done your job. So you have to work through that process with them…" [Queenie – external consultant]

Pippa attributed the smoothness of her brother's entry to the business to the way previously unarticulated fears had been confronted through the process:

> "I think we'd done so much of the emotional work behind it, with your fears and just will I be pushed to the side, or will [Oliver] come back and hate it because he's not given responsibility. Just how it would impact and [Oliver] was concerned going, 'Would the staff respect him as a director?' or would they just see it as, 'Oh here comes the son' and resent him for it." [Pippa2 – Mktg Dir]

The consultant's input helped ensure that the family did not just focus on the 'harder' legal, financial, and taxation aspects of succession which is often the case in FB planning processes (Morris et al., 1996; Murray, 2003; Filser et al., 2013). However, the HotelBiz family members did not seem to find the process

as emotional as the quotation from Queenie suggests had been the case with other FBs she had advised. This may be because, as discussed earlier, the intra-family relations were good and they were still at a relatively early stage in the succession process: the founder's retirement was not imminent and significant family events which may disrupt the equilibrium such as deaths, divorce and/or children's marriages had not (yet) occurred.

The external consultant's input also provided the family members with a sense of reassurance and security:

> Interviewer: "What did you get from it, from the whole process?"
>
> "As a result I think it probably made us more secure in a way. It made us more of a unit and open and trust and talking about issues, like there's no issues now that we can't turn around be very open about in discussion. You don't feel like you're hiding something or the girls who aren't in the business don't feel like they're not aware of something that's going on. Probably more open, trust and secure as a business, we know we're in it together sort of thing." [Pippa2 – Mktg Dir]

Having a collectively agreed shareholders' agreement and family constitution made each individual more confident that the foundations were in place to withstand whatever developments might occur. Without the external input it is unlikely that the family would have been as confident about the future of the business. Queenie also provided Pippa with reassurance whenever she was having doubts about remaining in the FB. Norman had sufficient trust in Queenie to ask her to speak to his daughter about her concerns and the input from Queenie was essential in putting Pippa's mind at rest and solidifying her desire to stay in the FB.

Overall it can be seen that there were multiple resources flowing across the tie with the key external advisor, Queenie. These included broadening the family members' perspectives about the complexity of succession, helping to trigger action, and opening deeper lines of intra-family communication. Queenie provided the family with impartial advice, facilitated the planning process, and assisted the family identify the key transition issues and develop appropriate solutions. Other important roles included ensuring that the emotional dimensions of succession were addressed and providing the family members with reassurance.   The resources from the key external relationship were

heterogeneous in nature. As a reasonably strong tie this is inconsistent with Granovetter's (1973) contention that such ties tend to provide homogenous resources.

7.4.5 Multidimensional trust-based relationship

As outlined, the HotelBiz family drew on only one external tie in a significant way in relation to succession. Apart from with Queenie, and on a few occasions her consultancy colleagues, the family only discussed succession matters between themselves. This was for a number of reasons, including the strong intra-family relations, the firm's relatively early stage in the process, the relatively limited complexity of the business, and their belief that Queenie (backed up by the consultancy) was providing the full range of services and expertise they required. Given the centrality of the relationship with Queenie it is worth exploring its nature in more detail.

The relationship developed over a few years. The initial engagement was over a few months with an intensive process of interviews, discussion and development of documents and structures. Thereafter there was intermittent contact with Queenie, with an annual meeting to revisit the succession plans and occasional other interactions. Thus, while there was a strong relationship with the consultant, it was not one characterised after the initial engagement period by frequent contact. Pippa expressed how the duration and quality of the relationship meant that the family could call on Queenie if the need arose:

> "Yes, especially now, after the years we've been talking about succession planning and things, I do feel that they're nearly like a confidante sort of thing. If something did go terribly wrong, hopefully it wouldn't, you could lift the phone to [Queenie] and say, 'Listen, we have a problem here and can you come and speak to us about it, or what do you think we should do about it?' They would immediately understand the personalities involved or the situation involved." [Pippa2 – Mktg Dir]

This dynamic has parallels with Jack's (2005) findings in the entrepreneurial setting that when developing a relationship it is the function of a tie and how it can be utilised that is important, rather than frequency of contact, with bonds being strong enough to deal with infrequent contact. In the HotelBiz case it appears that a period with frequent contact was necessary to establish a sufficient basis of strength to the tie but thereafter only infrequent contact was

necessary for the tie to be regarded as useful and reliable. Again we see the need for a more nuanced understanding of tie content than the Granovetterian conceptualisation (Granovetter, 1973, 1985).

The infrequency of contact was adequate partly due to the other characteristics of the relationship with Queenie. Firstly, the HotelBiz family members respected the extent of the consultant's expertise and experience from working with other FBs on succession. These aspects were vital in building a basis of cognitive trust (McAllister, 1995) between the family and Queenie, enabling her inclusion in the sensitive matter of succession. The cognitive aspect was strengthened by the emphasis she placed on transparency, honesty and discretion throughout the succession planning process:

> "Again, trust would be – you just felt you trusted [Queenie]. She's very individual. She's very easy to get on with, and you know that she's dealt with a lot of people. All the times I ever spoke to her, yes she will give examples, but she never said, 'See Joe Bloggs down the road?'...You know damn well she's not going to talk about your business with anybody else." [Norman1 – founder/MD]

As noted in the literature review, privacy is very important to many FBs (Roessl, 2005) and cultures of privacy often form part of the uniquely dynamic and complex environments that individuals advising FBs have to cope with (Davis et al., 2013).

The consultant talked about the importance of building a relationship with each of the family members and referred to the concept of trust several times, indicating that her interpretation of the relationship went deeper than a contractual type engagement:

> "So I mean the trust thing is, you know, if you get to a point with a family business where they feel that you're being completely honest with them and that you can be completely honest with them...I mean it's more about us creating that trust with them and I think it is just about the whole way through being completely honest with them." [Queenie – external consultant]

The trust was also based on the repeated interactions with the consultant as well as on the history of interactions between the family and the consultancy. Thus it can be understood as involving components of KBT (Lewicki & Bunker, 1996):

"…Then two years later, because you were again comfortable and the whole trust thing I suppose is built up and then they were able to go like, 'I remember you two years ago and do you still feel that way?'"

Interviewer: "How did you get to feel comfortable with them, what was it that inspired your confidence in the process?"

"I think in the beginning, I think, because mum and dad have always had such a good relationship with [consultancy]. They've worked with them for years and years and years, so you automatically have that, these guys must be okay to speak to because they've dealt with them for so long. Then I think it was just the way they approached it. They made you aware of what they were talking about and how the information would be used, and different things and encouraged you to sort of speak out about any issues you might be having. It was just very easy and very relaxed." [Pippa2 – Mktg Dir]

Clearly the nature of the interactions was important as well as the fact that there were multiple interactions. A personal dimension was discernible in the relationships between the consultant and the family members in terms of rapport. Oliver described how he felt relaxed in the meetings, while his father noted that Queenie had 'a nice amicable way with her'. Pippa similarly articulated a sense of personal connection. The consultant appreciated that personal connection was important in developing a productive and trusted relationship with succession clients, particularly given the emotional dimensions involved. All the family members noted how Queenie developed a deep understanding of the business, the family and them as individuals:

"…she gets to know individually that business, like ours, and she gets a feel for where we are and what we're doing, and then says, 'Well, we believe this is the right course for your business, or for what you want to achieve for your goals, short or medium term.' That's why we certainly trust her…" [Norman1 – founder/MD]

Queenie emphasised the time and effort required to find out a great deal about the business and understand the family dynamics, consistent with Strike's (2013) concept of 'meaningful engagement'. Pippa explained how the depth of understanding was coupled with the feeling that the consultant genuinely cared about the family and the business:

"I think there's some suppliers and relationships like, the ones we have with [consultancy] where there is so much trust and things involved that it's not just about cold hard figures. It's about the advice that they give and the knowledge they have of the business and the knowledge they have of the family, how best then to direct from their point of view, and

the advice that they give to us. They do know so much and genuinely care about it. You can see that when there's good years and good results and they're generally excited as well…We know that anything they're telling us is for our benefit…" [Pippa2 – Mktg Dir]

The consultant raised an interesting point about the need for closeness with the family members but at the same time maintaining a necessary level of objectivity and impartiality. It is a point Strike (2013) touches on briefly, suggesting that in the complex FB context to be trusted and influential advisors have to balance dispassionate objectivity with a closeness to the family.

However, while there was a close relationship characterised by rapport, deep understanding, and commitment to shared goals, between the family members and Queenie, the personal connection did not extend to what could be described as a friendship. The extent of emotional and personal closeness in the relationship should not be overstated. The trust basis did not evolve into the type of IBT articulated by Lewicki and Bunker (1996). At most it could be argued that there developed a type of relational-based trust as articulated by Rousseau et al. (1998) characterised by reciprocal interpersonal care and concern. The tie certainly had strength but it did not fully align with the conceptualisation of a strong tie proposed by Granovetter (1973). While there were elements of emotional commitment, confiding and reciprocity these were not extensive in nature and, as discussed earlier, after the initial engagement the contact between the parties was infrequent. This suggests that the Granovetterian notion of a strong tie and the dichotomous differentiation between strong and weak ties need to be questioned, at least in the FBS context.

7.4.6 Impacts on succession process

HotelBiz was still at a relatively early stage in the succession, nevertheless, as suggested by the discussion, the external consultant had a substantial direct and indirect influence on the pattern of the transition thus far. In terms of tangible impacts on outcomes there were three main ones: the creation of openness and understanding within the family about the future leadership of the business; the construction of key documents and structures underpinning the future plans; and Oliver's smooth entry into the business as Operations Director.

Queenie was central to the family taking on and completing the task of formalising principles and structures for the future of the business. Pippa explicitly acknowledged the consultant's contribution:

> "Very important, it wouldn't have happened without [consultant]. It certainly wouldn't have happened, we wouldn't have, like could have had discussions around the table, but it would never have went to the depth that it needed to go and we'd never have understood the breadth of things you have to think about without [consultancy]. I don't think any paperwork would have really came to the fore, the family meetings wouldn't really have happened, because you know how things are in people's lives and family, we go on and on and then go, 'Gosh we haven't actually sat down for years.'" [Pippa2 – Mktg Dir]

The family foresaw continued engagement with Queenie and the FB unit as the situation developed and hence it was likely that the external influence on the shape of the HotelBiz succession process would continue.

7.5 Conclusion

The HotelBiz case provides an interesting perspective on FBS planning given that the firm is still at a relatively early stage in the transition but has nevertheless engaged in a structured planning process. The analysis suggested several themes. The positive intra-family relations provided a strong foundation for how the family had gone about planning for succession to date. These relations and the intra-family trust were strengthened by proactively undertaking succession planning facilitated by a skilled external consultant. The family's general openness to external thinking helped shape how they approached the issue of succession. They looked externally for advice and, in doing so, drew on existing network ties to bring in one main trusted outsider to support them through the process. Multiple resources and capabilities were accessed from the independent consultancy and, in particular, Queenie, that helped to make the transition process a thorough and smooth one. Beyond utility the relationship between the family members and the consultant was grounded in respect but also involved a personal dimension in terms of rapport, the consultant's commitment to the best outcomes for the family, and her deep understanding of the family and the business. Trust was identified as an important basis for the tie, with something approaching relational trust emerging (Rousseau et al., 1998).

Chapter 8

8   MINI CASE STUDIES

8.1   Introduction

Following on from the three in-depth case studies presented in chapters 5-7, this chapter presents the findings from three 'mini cases' called CoffeeCo, PrintBiz and ClothCo. These were termed 'mini cases' because it was possible to interview just one individual in each of these firms. Having only one interviewee, rather than multiple perspectives, is recognised as a limitation. Nevertheless, particularly given the access challenges, it was still considered valuable to gather data from these FBs given that they had gone through intergenerational transitions and added to the breadth of the study sample. Apart from the single interviewee aspect, the rest of the methodology for these mini cases remained as outlined in chapter 3. In this chapter each of the mini cases is considered in turn following the same format utilised for the three in-depth cases in chapters 5-7. For each case company summary information is followed by a case description setting out the company history and family involvement. A data structure diagram is provided followed by discussion of the findings that emerged from the case. Finally, a concluding section is presented which highlights common themes across the three analyses. Table 8.1 summarises the key features of the three 'mini case' businesses:

Table 8.1: Mini case study firm characteristics			
	CoffeeCo	**PrintBiz**	**ClothCo**
Year founded	1880s	1930s	1910s
Sector/industry	Tea/coffee import	Printing	Cloth production
Location(s)	Belfast	Belfast	NI, Europe & India
No. employees	c.16	c.40	c.1000
Financial information	Not available	Not available	Not available
Ownership	100% family owned	100% family owned	100% family owned
Generation in leadership	4th	3rd	3rd
Active family members/ generations	3rd gen is Chairman & 4th gen MD	2nd gen is Executive Chairman (EC) & 3rd gen MD	3rd gen is owner & MD

8.2   CoffeeCo

8.2.1   Company information

CoffeeCo is a fourth generation 100% family-owned business that was founded in the 1880s. It is a small business employing sixteen people, specialising in the import, sale and distribution of tea and coffee. It includes an online retail business and wholesale activities supplying to the catering and retail industry. CoffeeCo is based in Belfast and caters primarily to the NI market. The Board has four members, three being family members. These Directors are the Chairman (who was Chairman and MD from the early 1980s until 2012), his nephew (Ryan - the current MD), and the Chairman's sister-in-law (Ryan's mother) who is a non-executive. The fourth Board member, who is not a family member, is the Company Secretary and Finance Director, who joined the company in 1970. The Chairman and his sister-in-law hold almost all of the shares, with the Chairman retaining the majority shareholding. The MD has a very small shareholding. As is typical of many small FBs, the firm is run in a hands-on manner by the family MD.

As a small privately owned business it is required to publish only abbreviated accounts and therefore figures for turnover and profit are not in the public domain. The abbreviated accounts for the year ended 31st December 2013 note that the level of stock and debtors was very low (total just over £60,000), indicating that it is a business operating on a small scale. The company had c.£57,000 in the bank, had no bank debt and therefore appeared to be stable.

Figure 8.1: CoffeeCo family involvement chart
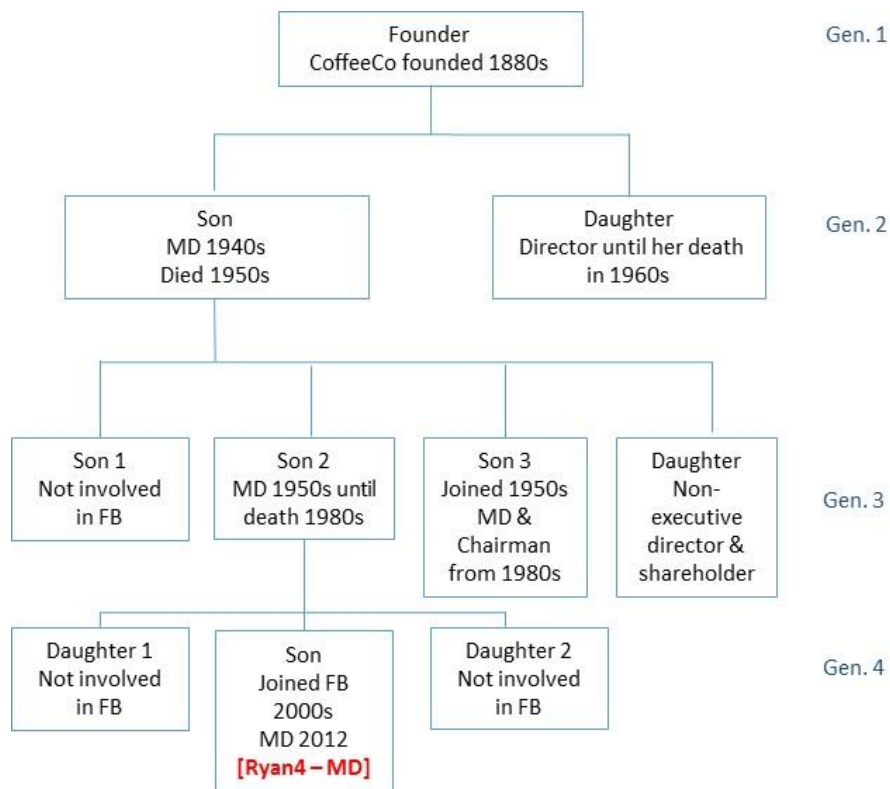
Table 8.2: CoffeeCo interviewee characteristics

	Ryan
Current position	MD
Length of time in firm	c.10 years
Family position	4th gen – great-grandson of founder
Age	50s
Gender	Male
Education	University degree
Work experience outside FB	IT/telecoms career before joining CoffeeCo in 2000s
Interview location	Coffee shop

8.2.2 Company history and family involvement

The company was founded in 1880s by the great-grandfather of the current MD
as a small general store. When the founder died in the 1940s his son took over
the business, having worked in it for over twenty years. During this time the
business came to specialise in tea and coffee. In the mid-1950s the son of the

founder died, leaving four children - three sons and a daughter. His eldest son entered a career in the church while the other three children siblings all became involved in the FB. The second son abandoned his university degree whenever his father became ill in the 1950s because, as Ryan4 - MD described it, 'the family expected it' and he entered the FB. His younger brother similarly followed in his footsteps once he had finished school. These two brothers formed a strong partnership and ran the firm. The only daughter in the third generation pursued a career in another field but was made a non-executive Director, a position she continues to hold.

The eldest brother in the third generation died relatively young in the 1980s and this was a shock to the family. His younger brother took over the reins and worked to steer the business through some of the toughest economic times in NI during 'The Troubles'. The growth of supermarkets placed increasing pressure on small suppliers like CoffeeCo but a focus on quality, niche products and the opening of a large cash-generating tea and coffee house helped to counterbalance these pressures during the 1980s-1990s. The younger brother was Chairman and MD from the early 1980s until 2012 when he retired as MD. Now in his eighties he stills holds the position of Chairman and is regularly in the business providing ideas and talking with customers. He has been involved in the firm for over 60 years.

However, this individual had no children and, therefore, he was pleased when his nephew, Ryan (the son of his late brother), began to show an interest in the business in the 2000s:

> "…he's unmarried and no kids so this was his life. So having devoted all that blood, sweat and tears he was, I'm sure he wouldn't mind me saying, that he was thrilled when I started getting even interested. So he was doing his best not to put any hurdles in my way…" [Ryan4 – MD]

This individual completed a business degree and had a career in IT and it was while he was still doing this that he started to help out in CoffeeCo on an ad hoc basis. He did not draw a salary for the first few years. His uncle invited him to join the Board in 2003 and having proved himself 'a worthy fourth generation torch bearer' he became fully employed in the business in the mid-2000s. Ultimately he became MD in 2012 when the long-serving Chairman and MD decided to step back. However, as noted in a CoffeeCo publication,

> "[Ryan] does not feel that his joining the company had any inevitability attached to it...[his father] had often reiterated that he should never feel he must follow in his father's footsteps, as he had done." (CoffeeCo, 2012).

During this period Ryan had also been establishing whether CoffeeCo was a sustainable business. After joining the firm he worked to develop the business. A coffee emporium was opened, the tea and coffee house refurbished and extended, and the online retail business launched. He changed the proportional division of the business between retail, online and wholesale in order to maximise the most profitable elements.

8.2.3 CoffeeCo Findings

A summary data structure is presented in Figure 8.2:

Figure 8.2: CoffeeCo data structure

Close family control of business Smooth succession aided by: • Incumbent-successor relationship: close, legitimation • Limited size & complexity of business	Good intra-family relations & small scale underpinning succession process
Openness to external thinking to some extent Range of external stakeholders considered to have influenced succession	Some external input – multiple stakeholder nature of succession process
Cross-boundary relationship initiation phase: drew on existing strong and 'weaker' network ties as sources of support re. decision to enter FB	Existing ties utilised as trusted sources of guidance
Resource flows from external ties: • Impartial and experience-based advice • Issue identification • Reassurance • Sounding board • Vicarious learning	Tie utility: various resources accessed through external ties to support decision-making
Two types of tie influence on decision to join FB: • Friend – personal dimension, strong trust basis, deep mutual understanding & respect • Business-focused ties – some aspects of strength (duration of contact)	Varying nature of relationships with individuals

8.2.3.1 Family relationships and business scale

Ryan4 - MD placed a strong emphasis on family ethos and recognised that it was only family commitment which had kept the business going. One aspect of the family orientation was the close control of the ownership of the business, regarded by Ryan as critical to its survival. However, he also stressed that this did not mean nepotism was acceptable:

> "There are no passengers. That's a very brutal comment but it's true. You know, I don't make any, I'm not going to gild the lily here. There's no room for family members who are, who might sap the energy of the company, or indeed capital without contributing. And when I say contributing, in a business such as this contributing means actively working not just chipping in from the sidelines…" [Ryan4 – MD]

Obviously having no other interviewees it was not possible to gain other perspectives on the intra-family relations but they were described by Ryan as generally very good. He compared his own experience to that of his friend's in another FB:

> "There was a bit more family tension in his one and maybe I've been lucky that that hasn't happened in our one…" [Ryan4 – MD]

One particularly strong relationship was that between the successor and his uncle who had been MD until 2012 and still held the position of Chairman. The relationship was based on mutual respect, each recognising the other's skills and experience:

> "And that relationship, I mean it's quite a complementary relationship; I'm a salesman, full stop; he's not, self-confessed, he's a grafter. And he's straight down the line, he's very principled. I don't think that I'm not principled but he is extremely principled. And he's a pretty wise head because he's got an awful lot of experience, at the product end of things, but also just experience of life and of people because fundamentally this is a people business. So from a complementary perspective he would unashamedly, I'm sure sometimes constrain my youthful exuberance when it comes to ideas. You know, I'll say 'we want to do this' and he'll say 'have you thought of that?' That's quite a healthy, I must say actually, sometimes quite a healthy tension. You know, that's not a bad thing." [Ryan4 – MD]

Ryan reflected on how the relationship had developed over the years:

> "Here's a sort of misty eyed romantic thought, I remember when my father died in 1983 so he and Dad had worked together in the firm for

years…at which point [my uncle] was left holding the baby. I mean he was 50, my age, and I remember him chatting to me, probably the day of Dad's funeral and he said 'you know, this is just me now, this is just me, I don't know what to do with this firm, I'm just going to keep plugging on with it'. He wasn't inviting me to join the firm, as I say, I was only 17. He certainly wanted me to know that he was my friend, put it that way. And I haven't forgotten that conversation. He wasn't asking me to do anything, just ensuring the relationship was there whereas it hadn't been before; he had been just an uncle. But anyway, it's a pretty close relationship and we share lots of stuff and there's always lots to discuss." [Ryan4 – MD]

The close relationship between incumbent and successor is consistent with the literature which identifies the quality of this relationship as critical in shaping the succession process (Gersick et al., 1997; Cabrera-Suarez et al., 2001; Brockhaus, 2004; Venter et al., 2005). Ryan noted that, generally speaking, his uncle had given him the necessary autonomy to lead the business:

> "There are very few things that he would, you know, put up serious resistance to. So that relationship has been very positive. Even the fact that we're extremely different as people is a very positive thing… So he's given me as much freedom as I would possibly need to drive the place and I think he acknowledged that it wouldn't have grown at the pace it has without the energy and ideas that I've brought to it." [Ryan4 – MD]

However, at other points in the discussion Ryan conveyed a contradictory position which suggested that, at least initially, the necessary freedom was not forthcoming. For example, he talked about the need to 'pick his battles' regarding what changes to introduce to the business. Therefore, there was something of a confused picture in terms of what Mitchell et al. (2009) describe as incumbents enabling successors to exert adequate agency to achieve post-succession success.

One of the reasons for the amicable transition was arguably because there were no other contenders for taking over the management of CoffeeCo. Having proved himself over several years working in the business it was a natural progression for Ryan to become MD once his uncle decided he was too old to continue at the helm. In addition, the handover was aided by the lack of scale and complexity in the business. There was no significant wealth or complicated legal, financial or taxation issues to be taken into account and managed as part

of the succession. Furthermore, there was little complexity in the family situation in terms of, for example, other siblings wishing to have a role in the business or intra-family tensions. Therefore, the CoffeeCo case suggests that the literature's emphasis on the complexity of succession and the serious implications it can have for the family and the business (Handler & Kram, 1988; Kets de Vries, 1993; Cromie et al., 1995; Neubauer, 2003; De Massis et al., 2008) may need to be tempered. In some instances small business scale, lack of complexity and family harmony may combine to make succession a more straightforward process.

The key stage in terms of the intergenerational transition was really when Ryan decided to formally join the business in the mid-2000s. There was a shared recognition that becoming employed would be the first step towards ultimately taking over as MD. Thus it was at this point that he had to give serious thought to the feasibility of the business and whether it was what he wanted to do and leave his successful IT career. Considering the CoffeeCo transition in these terms aligns with the literature's emphasis that FB succession is not a one-off event but a complex process over a period of years (Stavrou, 1999; Cabrera-Suarez et al., 2001; Lambrecht, 2005; Filser et al., 2013). The CoffeeCo case is also a reminder that the intergenerational transition may not be between parent and offspring; it may involve different branches of families (Gersick et al., 1997; Nordqvist & Melin, 2010).

8.2.3.2 Utilised trusted network ties

When it came to assessing the feasibility of growing CoffeeCo Ryan had confidence in his own abilities having had a lengthy career in IT. Nevertheless, he also drew on some external advice to help him reach his decisions about whether to enter the FB and how to potentially take it forward. Although he had a strong family orientation and opposed bringing any independent members on to the company Board, Ryan did value input from some external individuals. There were three main actors with whom he discussed his transition into the business, each of them existing trusted ties.

The first person Ryan engaged with was a longstanding friend:

> "I spoke to an old chum who I used to work with in a former life… we'd drink whiskey long into the night and discuss all the various issues, still do…" [Ryan4 – MD]

Indeed, the friend's father and Ryan's uncle were friends, suggesting a closeness between the two families. The friend was in a similar position in the early 2000s in terms of considering getting involved in his own family's business. Therefore, he and Ryan had a shared frame of reference:

> "He had a family business of his own, a very different kind of business or industry but similar, a younger business. It was more about the emotion of joining a family business and how influential one can be and whether it's a good thing to do. And he and I both were in quite high-flying IT careers and really for the same reasons we were wondering whether it was a sensible thing to start getting involved in our respective family firms." [Ryan4 – MD]

There was a distinct personal dimension to the relationship. It was a long-standing friendship with an affective as well as cognitive basis of trust (McAllister, 1995) and it displayed the characteristics of a strong tie (Granovetter, 1973). Ryan's description of the tie indicated a basis of relational trust (Rousseau et al., 1998) or IBT (Lewicki & Bunker, 1996) grounded in reciprocated interpersonal care, concern and understanding. It was an existing and trusted relationship which he felt comfortable turning to about the sensitive topic of succession.

Ryan accessed a range of resources from this tie that helped him through the transition into the FB. The fact that his friend 'jumped first' and joined his FB gave Ryan the opportunity to learn from some of his experiences. In particular, he took guidance from his friend's experiences of trying to implement change in a FB steeped in tradition:

> "He jumped first in the other business over in England and I watched his progression with interest for a couple of years actually and learned a couple of things…Things that I already knew that were reinforced, like for example, when you want to make changes to a business, the firm that he became part of was founded by his father so it is only 50 years old, not 125, but he found certain things easy to change and other things less easy. And it wasn't the things that were physically easier to change, it was the ones where the doors were most easily opened and there was less emotion around the changes…you have to decide which battles to fight that you must win…" [Ryan4 – MD]

The CoffeeCo successor came to better appreciate the challenges involved in handling the emotional dimensions of change and the need for sensitive tactics in trying to amend long-standing practices cherished by his predecessor. Talking to his friend and reflecting on his experiences illustrated to Ryan the need to understand different generational mindsets and to focus his attention on the most important changes to develop the business.

His friend was not giving him advice but through sharing their related experiences there was useful peer-to-peer learning which helped Ryan to broaden his perspective about the challenges involved and identify potential issues:

> "He wasn't sort of giving me words of advice he was just was, you know, I'd say, 'how are things going?' and he'd say, 'well, let me tell you the latest thing, Dad and the bloody logo...I spent £350 on new shirts for the staff and Dad threw his toys out of the room' sort of thing, you know. So I could feel his pain and so I could tell that these were hurdles that I was going to have to overcome…" [Ryan4 – MD]

Thus the CoffeeCo case provides an example of vicarious learning - another type of role an external individual can have in a FBS process. This complements research from other fields which indicates that vicariously learning from other organisations' and individuals' experiences is an important way that organisations and entrepreneurs acquire knowledge (Kim & Miner, 2007). Having a trusted friend in a comparable situation provided Ryan with a knowledgeable person to talk things through with and act as a sounding board. This role assisted in the transition process through giving Ryan a source of guidance and a sense of reassurance. Arguably these functions fulfilled by the external tie would not have been possible solely through introspection.

Another external relationship upon which Ryan drew was that with CoffeeCo's accountants. Again this was an existing tie because the firm had used the particular accountancy practice for many years. There was a basis of trust already established between the interviewee and the accountancy firm. There was rule-based trust (Kramer, 1999) grounded in understandings about the system of rules regarding appropriate behaviour by accountants. This was reinforced by a KBT grounded in recurring exchange and interpersonal

relationships (Lewicki & Bunker, 1996). Ryan met with the accountants as part of his research about whether to formally join the FB:

> "I met with our accountants and they were pretty helpful. I met with them with the firm where it was discussed how to run the firm. But I also had a couple of private meetings just to get a 'warts and all' conversation and tell them what I had in mind in terms of bringing the firm forward. You know, I would have seen the company accounts but there's always a story behind the accounts, you know, you see the figures and you draw that conclusion." [Ryan4 – MD]

The accountants helped the interviewee identify the financial issues based on their understanding of the company and their experience. They were in a position to offer impartial, experience-based advice and assist Ryan make an informed decision:

> "…so I needed to ensure that if I could double the revenue and make a decent profit I could then pay myself a decent salary and in so doing I would have got the firm to a critical mass which then would be sustainable because at the time it was precarious. So it wasn't just seeing the accountants and them saying, 'yes, you're fine', the accountants were saying 'it's touch and go' but 'you've got this, this, this, and this going for you'…[I] found that there were legs to the firm but needed strengthening – needed a hip put in!...They helped me understand where the pitfalls might be." [Ryan4 – MD]

Ryan respected the accountants' input based on the firm's longstanding dealings with them and their wider reputation for expertise and experience. Their professional external opinion helped give Ryan the reassurance he needed to take on the CoffeeCo leadership:

> Interviewer: "So what did you get from having those personal meetings?"
>
> "Confidence I suppose. Yeah, confidence that I was doing the right thing. I was peeling back the layers of the onion to determine what needed fixing and what didn't. The conversation that I was saying about the cash and profit and where the cost centres were; you can't really get that from a set of accounts, you need to dig deeper into where is that cost being incurred and, you know, what the relative profitability needs to be." [Ryan4 – MD]

The accountants had a solid understanding of the firm based on their years of providing its accountancy services, however, this could not be interpreted as being a deep and nuanced understanding of the firm and family dynamics. The tie was effectively a business-focused, contractual one. There was no personal

dimension involving a particular rapport, discretionary additional effort, an affective aspect, or a genuine commitment on the part of accountants to ensure achievement of the best outcomes for the family and firm. The accountants were not in Strike's (2013: 304) terminology 'meaningfully engaged', nor did the trust basis of the tie extend beyond KBT (Lewicki & Bunker, 1996).

The third and final type of external tie that Ryan discussed his potential entry into the FB with was CoffeeCo suppliers. It might not have seemed an obvious group to talk to in relation to his decision-making and thus indicates the importance of recognising that a wide variety of external ties can potentially influence FB transition processes. The interviewee talked to a couple of suppliers to gain another perspective about his planned trajectory for the business given their understanding of the market. Like with the accountants it was part of his intelligence gathering to help him make an informed decision about joining the FB given that joining was expected to be the first step towards becoming MD:

> "I talked to a couple of suppliers. Only just to understand where the products [from] their perspective were going. I'm talking about the wholesale tea suppliers and brokers; people who understand the trends in, for example, quality teas and single estate coffees, and those sort of things. So I talked to a couple of them about where they saw the profitability and where they saw the growth…" [Ryan4 – MD]

Again a desire on Ryan's part for reassurance can be discerned. The relationships with the suppliers had been in place for a number of years and therefore there was an aspect of KBT (Lewicki & Bunker, 1996) which gave Ryan confidence that their perspectives were of value. However, the relationships and how Ryan used them should not be over-interpreted. There was no personal or affective dimension to the ties and the trust basis did not extend beyond a KBT (Lewicki & Bunker, 1996).

The concept of trust and its different forms as an element of understanding the ties suggests that a dichotomous notion of strong/weak ties as articulated by Granovetter (1973) is insufficient. While the relationship with Ryan's friend could be described as a strong tie, the ties with the accountants and the suppliers cannot be straightforwardly categorised as weak as this appears to oversimplify the way the interviewee understood and used the ties. The ties with both the

accountants and suppliers can be considered to exhibit elements of strength with interaction over a sustained period of time, however, they did not have the personal or reciprocal dimensions associated with strong ties. These subtleties suggest the need to unpack the notion of strong/weak ties as explanations of relational embeddedness.

8.3 PrintBiz

8.3.1 Company information

PrintBiz is a third generation 100% family-owned business. The company operates out of a purpose-built factory in Belfast and delivers all aspects of printing, including design, copywriting, typesetting, printing, finishing, wrapping and order fulfilment. Its main market has traditionally been Ireland but in recent years it has also looked to external markets as it works to return to growth after the recession. PrintBiz is a small business employing approximately 40 people. Ownership was passed from the founder to his son who was MD until the mid-2000s and remains as Chairman. There was a period of a few years with an interim non-family MD before the Chairman's nephew, the interviewee – Steve, took over in 2010. The ownership remained with the second generation until 2014 with Steve's uncle owning almost 100% of the shares. In 2014 he gifted 49% of the business to his nephew, retaining the other 51%. The Board has three members: the Chairman, the MD and a non-family director, the Operations Director.

As a small privately owned business it is required to only publish abbreviated accounts and therefore figures for turnover and profit are not in the public domain. The MD explained how the market had been 'destroyed' with the onset of the recession in 2008:

> "So as a business, we made money up until 2008, Lehman brothers went bust, we'd had our busiest month ever and the world turned after that; we made money in 2008 and we've lost money since…it was just catastrophic and very expensive to the business…in 2012 we lost half a million pounds, it's scary." [Steve3 - MD]

The abbreviated accounts for the year ended December 2013 reflect the interviewee's comments, with a discouraging longer-term perspective: shareholders' funds steadily declined from £4.85million in 2004 to £2.25million as at December 2013. Pay cuts and significant changes to the business were implemented after 2008 in an effort to keep the firm afloat and return to profit.

Figure 8.3: PrintBiz family involvement chart
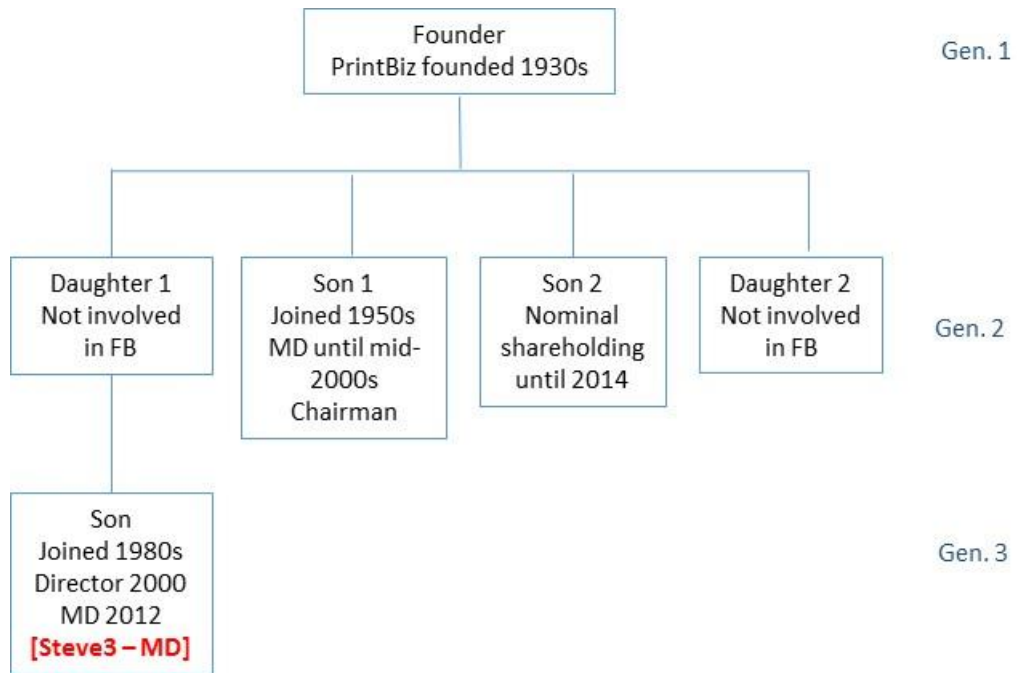
Table 8.3: PrintBiz interviewee characteristics

	Steve
Current position	MD
Length of time in firm	c.30 years
Family position	3rd gen – grandson of founder, nephew of Chairman
Age	40s
Gender	Male
Education	Degree plus 6 months printing school
Work experience outside FB	None
Interview location	Company boardroom

8.3.2 Company history and family involvement

PrintBiz was founded in the 1930s by the grandfather of the current MD and a business partner. The company concentrated on letterpress printing and box making from a premises in Belfast. In the 1950s the partner left to set up his own packaging business. Around this time the son of the founder joined the

company and he remains involved almost sixty years on and is currently the Chairman. This individual recognised the importance of staying at the forefront of printing technology and in the 1960s installed PrintBiz's first litho printing machine following a visit to the US.

This second generation MD never got married or had children. One of his sisters had a son, Steve, who came into PrintBiz after going to college. However, this was not his first choice of career:

> "…I was doing my A-Levels and I was always going to do agriculture, I loved farming…but then my mum and [uncle] came to me and said, 'Look, you're not going to get a farm, you're going to be an employee all your life, would you not think of doing a business course and then maybe coming into the business?' So I decided to do that, so I sort of just changed the very last minute and then went to [university] to do business and finance and did that, and did my…placement here [in PrintBiz]…then I came back here full time and then went to [Printing School]. I was supposed to go for a year…but [member of staff] just suddenly wanted to retire a bit early. So I could only go six months in [Printing School], and had to come home and go into the sales environment then." [Steve3 - MD]

Steve worked his way gradually up the business from the early 1990s. He introduced some significant changes in terms of internationally recognised quality standards and new production techniques. In 2000 he was made a Director but was not brought into the firm's ownership. When the recession hit in 2008 there was a non-family MD, the former Finance Director, who had been put in place in the mid-2000s upon the retirement of Steve's uncle from the position. Steve's view was that this individual was made interim MD because he was regarded by the uncle as his 'right hand man' having worked together for many years. Additionally, it was partly due to the tensions between Steve and one of the then other long-standing directors, the Sales Director. This director had insisted that he would not work for the next generation and, given his key role in sales, it was felt he would have been too much of a loss to the business and therefore a compromise was struck. However, Steve's sales performance came to outstrip that of the Sales Director and as the latter approached retirement age the dynamics began to change. The MD also wished to retire and thus Steve was finally made MD in 2010.

Steve subsequently was completely focused on trying to ensure the business weathered the economic storm:

> "Really, really difficult times, and then there's the epic fails on my watch, the complete stigma and the pressure of family and, not that they're putting any pressure on me but just myself-…It would just tear me apart and it would kill my uncle really…" [Steve3 - MD]

Throughout this time the MD's uncle remained quite active in the business, despite being in his late seventies and having stepped back into the role of Chairman:

> "He still comes in three days a week, seven in the morning, because, you know, this is his baby and that's, he just wants the name to carry on, that's absolutely vital for him." [Steve3 - MD]

The partial transfer of 49% of the company shares in 2014 marked the latest stage in a gradual intergenerational transition which started in 2000 when Steve was made a director. The number of years over which the transition was implemented reflects the literature's emphasis on FBS being a complex, multi-stage process over a period of years (Stavrou, 1999; Cabrera-Suarez et al., 2001; Lambrecht, 2005; Filser et al., 2013).

8.3.3   PrintBiz Findings

A summary data structure is presented in Figure 8.4.

Figure 8.4: PrintBiz data structure

1st order concepts	2nd order themes

Complex relationship between incumbent (uncle) & successor (nephew):
- close – basis of legitimation
- inhibited communication due to deference
- incumbent reluctance to grant autonomy

Tension/conflict between prospective successor & non-family director

Solid intra-family relations but possible jeopardised in future re. ownership

→ Complex intra-family and intra-firm relationships impact on succession process

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Incumbent committed to company's independence and resistant to external input

Younger generation more open to external input but constrained

Different types of external stakeholders had influence on succession processes

→ Differing generational perspectives on value of external input

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Resource flows from external ties:
- Impartial and experience-based advice
- Issue identification
- Reassurance
- Triggered action / momentum

→ Tie utility: resources accessed through external ties to support process

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Younger generation looked beyond existing network (course) and drew on existing network tie to support succession

Important role of third party connecting tie

Some basis of trust and personal dimension to key external tie (rapport)

→ New & existing ties utilised as trusted sources of guidance

8.3.3.1 Incumbent – next generation relationship

The discussion with Steve (MD) revealed that he and his uncle (Chairman) had a complex relationship. Only being able to interview one of the individuals was a limitation but it nevertheless provided an insight into the nuances of the relationship. The two individuals were close, however, there was a distance in the relationship grounded in respect:

> "We're very similar and I would have the same thoughts myself, and we get on tremendously, I don't think we've ever had an argument, ever, in 28 years. You discuss things, you might disagree, but it's never a raised voice. It's quite different an uncle's nephew rather than father-son, because if you've grown up with your father, you have argued with him over the years. But I would never argue with [uncle] and obviously the respect I have for him, it's just a bit different…It is a different dynamic and I would respect him too much, both as a relative and as an employer really over the years." [Steve3 – MD]

Steve described his uncle as being a mentor to him and recognised the influence he had had on his own approach. Despite not being a parent-child relationship, Steve emphasised the similarities between himself and his uncle, recognising that this brought disadvantages as well as benefits for them and the business:

> "He's been very kind to me, so, but we do we think exactly the same way, that's the worrying thing, it is very scary and maybe that's not good, we probably need different thinking to do things differently and change, which is very difficult to do." [Steve3 - MD]

The uncle had confided in his nephew about the contents of his will which set out that his remaining 51% of the shareholding should be divided between Steve (taking his share up to 75%) and the remaining 25% being split between two of Steve's nephews who were not involved in PrintBiz. Steve was concerned about what this would mean for the business, however, broaching the subject was difficult because he was afraid of causing offence:

> "…when my uncle dies and I hope that's not too soon, but it's going to happen at some stage, my two nephews…will get 12.5% each of this business, and that, it's not an issue for me but I don't think that's good for the business and I've said that to [uncle] in a way, and that's a very difficult conversation to have, very difficult. That took years and you've got to be quite confident in your own ability…I was just saying, 'Look, I'll have to buy them out but the business can't afford to buy them out.'" [Steve3 - MD]

This reluctance to discuss the future ownership plans reflected a wider theme in the relationship in that Steve felt it was difficult for him to modernise the business and to raise succession-related issues. Despite their closeness, there was a distance and type of deference in the relationship which inhibited communication on key issues. Although Steve had worked for his uncle for many years, had proved his capabilities and, indeed, was now MD, he still felt constrained in what he could say to the man who had given him the opportunities within the business and whom he held in high regard.

A related apparent contradiction in the relationship was in terms of control. When he was made MD Steve said his uncle relinquished control:

> "…[he] gave me total control and he said, 'Well you can pay yourself whatever you want; you don't have to issue a shareholding.'" [Steve3 - MD]

However, in practice he had not given over 'total control'. While the uncle had stepped back from the MD role, he remained active as Chairman and his presence influenced the extent of change Steve felt able to implement. For example, he expressed the view that recruiting a non-executive would be impossible while his uncle was still in the firm, for fear of offending him. Another example was provided, relating to the period after Steve became MD, when there was no accountant in the business. It was the former FD who had been interim MD and he then continued part-time and the uncle believed this was sufficient to cover financial matters. However, having no accountant was a mistake, particularly during the financial crisis that commenced in 2008 and had such a damaging impact on the business. Nevertheless, Steve still felt that he could not raise this issue:

> "[The former MD] went down to two days a week or three days a week and then he stayed on one day a week probably for the next year just on the financial side. That was a problem as well in respect…[my uncle] still wanted, because they worked together for 35 years, he was his right hand man, the finance man, they'd done really well together and that was a mistake in the business because we didn't employ an accountant because [the former MD] was still there, but only one day a week and we were nearly sailing blind…I couldn't say, 'We've got to get an accountant in here', that's a slap in the face to him…So that probably was two years actually we survived with that, it was awful and we were going through this crisis…" [Steve3 - MD]

Particularly given the financial precariousness of the business, the deference in the relationship and the desire to avoid causing offence appears to have been a luxury that PrintBiz could no longer afford.

Steve's perception that it would be inappropriate for him to raise certain issues with his uncle and the latter's reluctance to give up control can also be discerned further back in the relationship. It was the nephew who had to raise the issue of being made a director and he did this only after more than thirteen years in the firm:

> "Over the years I was selling quite well…I had said to my uncle a couple of times, I probably just flippantly said, 'Well, what about a board role?' And funnily I probably never said anything flippantly, it's quite a big thing to ask a relative, and he said, 'Well, when you break the million pound barrier, we'll look at it.' So I did that, but then I did have to ask again and I had had my first child at that stage, I just went, 'Look, I've got to look after myself at some stage, it's alright being really, really

loyal, but I really have to look after my family now.' And that made me speak to him as well on a serious note and said, 'Look, I need to know what the plans are', and he probably told me about the shareholding at that stage; what he was going to do when he died… To keep me at ease and that sort of thing and that was probably at the same time."

Interviewer: So you had to raise the issue of the directorship and sort of push that diplomatically?

"Absolutely, yes…" [Steve3 - MD]

More than fourteen years later Steve then had to raise the issue of ownership transition:

"I have three kids and a wife and I've worked all these years and they would have nothing and that's what really, so I went to him and said, '[uncle], look I do have an issue here, I've worked all these years, if I die I'm not a shareholder.' I wasn't even asking for that, I was just explaining to him the situation. So we actually got insurance for me at that stage...I definitely had to proactively, which is hard with family, really, really hard to discuss this, and it's not father-son, it's not a given; father and son's not a given either but it's definitely a fair bit further away when it's an uncle and he has been remarkably good to me." [Steve3 - MD]

The PrintBiz case appears to be an example of what Bernhard and Jaskiewicz (2011) describe as the concept of psychological ownership – a double edged sword of emotional commitment contributing to developing the business but then also potentially hindering its longer-term survival through the inability to let go. PrintBiz further aligns with the literature in terms of the importance of the incumbent-successor relationship in determining the success of the transition (Cabrera-Suarez et al., 2001; Le Breton-Miller et al., 2004; Sharma, 2004; Brockhaus, 2004; Venter et al., 2005). However, in this stream of research the emphasis is often on tensions and conflicts between incumbents and successors. In the PrintBiz case the relationship was more complex with quite subtle impacts on the pattern of the transition process.

The wider intra-family relations were described as strong. However, it appeared that some tension was possible in the future as a result of the uncle's planned distribution of his retained shareholding through the provisions in his will. There had been an absence of frank discussion about the situation between the uncle, Steve and the other relevant family members. While this was a potential future problem, interpersonal relations had already emerged in another area

related to the succession process. Steve explained how he had experienced hostility from some of the non-family staff and one director in particular:

> "…it's so hard and the road you've got to come, it is bloody difficult in that respect, you come in and people automatically [think] silver spoon, there's no question about it. It's amazing how horrible people can be to you and it's pretty short-sighted as well...[the] sales director made my life a misery for years and then eventually we had to work together… he softened as the years went on but he said to me at one time, we were away looking at a machine in Germany and he said, 'I'll never work for you.' That's quite a statement you know and aggressively…that's why we put the financial director into the MD's role when [my uncle] retired for five years. I came back from that trip and I said [to my uncle], we have a big problem, because the sales guy was very important to us as well, he was the director of selling a lot and if he fell out with me immediately, it was too much of a threat to the business." [Steve3 - MD]

This instance of conflict between the family member earmarked to become the future MD and a non-family director impacted on the course of the succession. It delayed Steve being made a director and then, rather than taking over when his uncle retired, he had to accept an interim MD and continue to work in a difficult environment for several years. The literature notes the possibilities for the type of family/non-family tensions evident in PrintBiz. For example, De Massis et al. (2008) stress that there must be a culture of trust between family and non-family members, however, this can be difficult given that non-family members can perceive themselves to be treated unfairly.

8.3.3.2 Openness to external input

Some external facilitation may have assisted in overcoming the relationship issues, engendered more open communication about the succession, and helped the uncle adjust to his role as Chairman. However, this was not pursued, possibly given the Chairman's reluctance to turn to outsiders for advice. As noted above, Steve's uncle was opposed to bringing a non-executive on to the board. He was also initially resistant to his nephew's suggestion that they attend a course on FBS. Part of this internal focus was the Chairman's strong attachment to the business remaining independent, a common feature in many FBs (Roessl, 2005). However, Steve was more open to external thinking and input. In general he was appreciative of the value external individuals and organisations could offer him and the business:

> "I'm going on a sales strategic programme with [university], starting at the end of this month…I'm definitely not an academic but I try and go to as many things as possible. So that's where the action coach, we've just started and really sales is what it's all about, sales and marketing. So that's why I'm going to this other thing and it's quite expensive the sales and leadership strategic planning or something it's called, that's quite intense…" [Steve3 - MD]

Looking specifically at the issue of FBS and relevant external interactions, it was Steve who instigated going on a course run by the regional business development agency:

> "I took [my uncle] to, and he definitely didn't want to go, to a thing which was family, what was the name of the course? Family businesses about succession. And the guy was superb, he was just excellent. But we had started to do a lot of those things anyway, but it was just great; he definitely didn't want to go but he said after, 'That was excellent, I'm really glad I went.'" [Steve3 - MD]

It was Steve's openness to external thinking and his concerns about the future for him, his family and the business that encouraged him to attend the course. Although short, he believed that it had been helpful and felt that his uncle shared this view. The individual who delivered the course was a successful chartered accountant who had worked with many FBs on succession matters. Steve was impressed by his expertise and experience. In Strike's (2013) terms the accountant had the depth and breadth of competencies that gave him legitimacy to be listened to on FB matters. He also had the appropriate professional background and experience of working with FBs to effectively anticipate issues. This course played an important role in triggering wider and more concerted action on planning for and implementing the PrintBiz succession process.

As well as helping Steve and his uncle identify issues relevant to succession, the course performed an important validation function. The course reassured Steve that the measures they had already put in place were correct and the firm was on the right track with its approach to succession. It also gave added impetus to the process:

> "I was delighted that I had instigated lots of things for instance…[Accountant delivering the course] was superb, really good, fantastic. And, as I say, [my uncle] was appreciative and you do definitely pick up things. But by that stage we'd put most of it, so sort of rubber-stamped what I'd been trying to do with him anyway.

Interviewer: "Such as?"

"Well the insurance policies and [the accountant delivering the course] was saying, 'You need a shareholders' agreement'. Vital, absolutely vital. I wasn't a shareholder then but that is important and [my uncle] was nodding and just things like that…from my point of view, going forward to the next [stage], it was brilliant." [Steve3 - MD]

Putting in place a shareholders' agreement, a key document underpinning the succession, was, at least to some extent, one of the outcomes of attending the external course. The course helped to give the PrintBiz family members the confidence, momentum and guidance to progress the transition planning and implementation.

8.3.3.3 Relationships with external individuals

In terms of other external interactions relevant to the PrintBiz succession process Steve noted that the experience of other FBs had little impact. Aside from the course, Steve believed that his uncle would have discussed the succession issues with very few, if any, other people. One person whom he thought would have had some involvement was his uncle's personal financial advisor. However, not being able to speak to the uncle it was not possible to explore the nature of this relationship and its pertinence to the succession. More helpful were Steve's reflections on his relationship with an external advisor whom he identified as having had an influence on the pattern of the transition. He explained how he had worked with a financial advisor over the previous two years, particularly in relation to the purchase of the insurance policies and the transfer of the shareholding. This tie did not fulfil a wide range of functions, rather the focus was mainly on the provision of impartial, professional advice. Interestingly, there was a personal dimension to the relationship between Steve and the financial advisor; it was more than simply a contractual time-bound relationship. Alongside respect for the advisor's professional expertise and experience there was a sense of rapport:

"…the guy's a very good guy, a very nice guy; he's not a money grabber at all and just very sensible, he's an ex-banker, very sensible, I like him a lot. So I would trust him, definitely." [Steve3 - MD]

However, this personal dimension should not be overstated. The relationship did not extend to what Hite (2003) terms as affect (when emotion and feeling are integral parts of business interactions) or sociality (engaging in social activities

outside business functions). When asked why he trusted the financial advisor, Steve explained:

> "I'm definitely a people person and I just, I know if I like somebody and I trust him. I've just employed builders at the house and I took the guys I really liked. I just said, 'I know I can work with you', I just got a feeling. And this guy I knew through the golf club, he's just a genuinely nice guy; he's not there to make money, that's not him at all. It's just a feeling and he was recommended as well, I didn't even know he did that actually. I knew him when he was a banker and then they did a good job for customers of ours, and he said, 'These guys have done something that made us quite a bit of money', so then I approached him." [Steve3 - MD]

There are several interesting aspects to this response that indicate the basis for the trust in the relationship. Firstly, the individual was already known to Steve through his social network so he was an existing network tie. Thus there was some basis of KBT (Lewicki & Bunker, 1996), even if this was grounded in social rather than business-related interactions. Secondly, the financial advisor was recommended to Steve by a customer who had had a positive experience with him. Therefore, once again, there is relevance in Uzzi's (1997) notion of third parties acting as important 'go-betweens' in new relationships, enabling individuals to 'roll over' their expectations from existing relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish an initial basis for trust. Steve liked the financial advisor on a personal basis – a 'genuinely nice guy' - so there was some affective as well as cognitive dimension to the trust basis (McAllister, 1995). Considering the nature of the tie with the financial advisor in these terms suggests that the dichotomous strong/weak tie conceptualisation advanced by Granovetter (1973) needs to be challenged. Rather than strong or weak, the tie the interviewee had with the financial advisor can arguably be better described in terms of its constituent elements that are located somewhere along a spectrum of strength.

8.4 ClothCo

8.4.1 Company information

ClothCo produces linen in a global operation which it sells predominantly to the European and American clothing sectors. The 100% family-owned business was founded in the 1910s in the latter part of the linen boom in NI. The parent company is based in NI and several subsidiaries are involved in production and distribution operations. While the design work is done in Ireland, due to the global competitive pressures most of the production is now done overseas, in factories in Eastern Europe and India. ClothCo employs approximately 1000 people across its operations. The interviewee, Tim, owns 100% of the business. This follows him and his brother buying out other family shareholders and then Tim subsequently buying out his brother. There are currently four board members: Tim and three non-family directors.

As a privately owned business it is required to only publish abbreviated accounts and therefore there is very limited financial information in the public domain. Without access to the Group consolidated accounts it is not possible to offer an overview on ClothCo's financial position. However, in the interview with the owner, he indicated that the company was operating profitably and doing well, particularly given the use of low-cost manufacturing bases abroad.

Figure 8.5: ClothCo family involvement chart
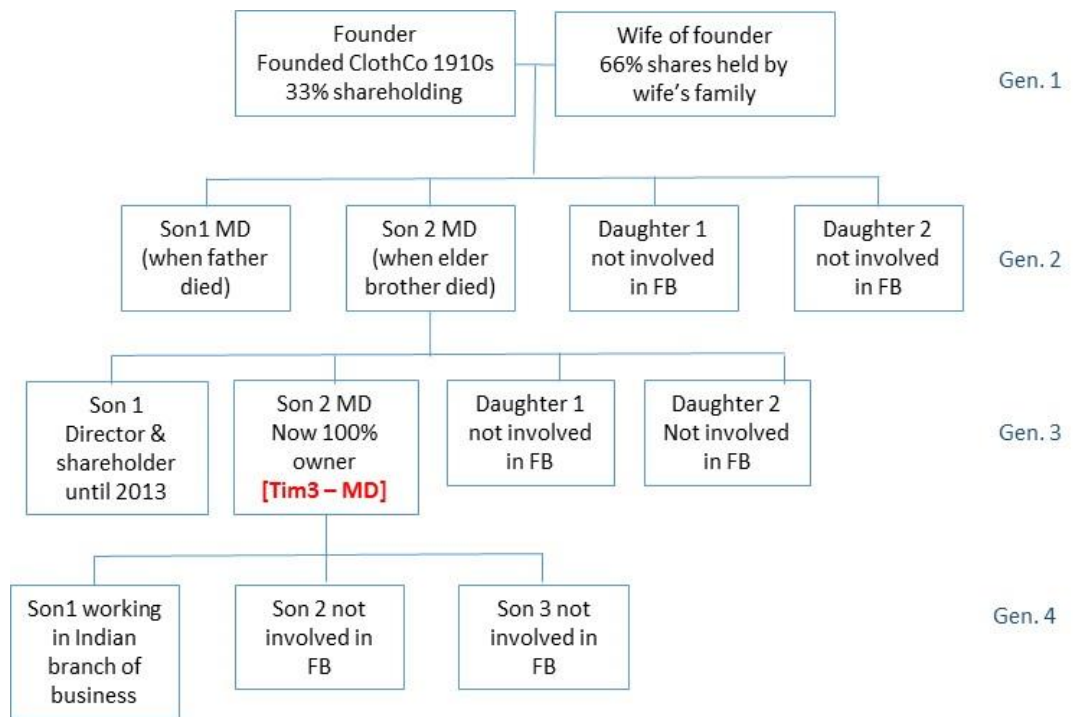
Note: individuals in generations 2 and 3 had other children; diagram only shows those involved in FB

Table 8.4: ClothCo interviewee characteristics

	Tim
Current position	Owner and MD
Length of time in firm	c.35 years
Family position	3rd gen - grandson of founder
Age	50s
Gender	Male
Education	Degree
Work experience outside FB	n/a
Interview location	MD's office

The ClothCo interviewee did not want the interview to be recorded on the basis that he said he would be more frank if he was not recorded. However, he was happy for extensive notes to be taken during the discussion. These notes were written up immediately after the interview in order to capture as much detail as possible. However, the absence of a transcribed audio-recording is recognised

as a limitation in terms of the analysis, including the paucity of direct quotations to illustrate points.

8.4.2 Company history and family involvement

Tim used an old family group photograph to identify the various individuals he was referring to throughout the discussion. Tim's grandfather married one of the daughters of a successful linen family and her family provided him with the money to establish his own linen business in the 1910s. The wife's family had 66% of the shares while the interviewee's grandfather had the remainder. Tim emphasised that over the years there were problems within and between the families.

The interviewee's grandfather had four children – two boys and two girls. The girls were "kept strictly out of the family business as was usual in Ulster linen industries at the time". Tim's father was the second son and both sons entered the family enterprise. Upon their father's death the two sons received half of his shareholding while the daughters did not receive any. The elder brother died relatively young and therefore Tim's father took over running the business. This son of the founder also had two sons and two daughters. Both sons entered the business, although there were tensions between the brothers. The daughters were not involved in the business and when it came to matters of succession and inheritance "again the two daughters were basically just ignored". Tim expressed his resentment that his brother was "treated differently because being the oldest was important".

Tim explained how he entered the business at the bottom and worked his way up gaining valuable experience. By this point in the 1970s the interviewee's father held a majority shareholding, having acquired some shares from other family members. However, the remainder of the share ownership was quite diluted. The brothers were running the firm by the time of their father's death and then received his shareholding. At this stage the brothers bought out the other shareholders and the company prospered.

Most of the production processes were moved to plants in eastern Europe in order to remain competitive in the global market. However, the environment changed in the 1990s with the emergence of the Chinese into the global industry, with their low cost base and "ruthless risk taking". This was a very challenging

time for the business and tensions developed between Tim and his brother and his brother's wife. The period of crisis culminated in the interviewee's sister-in-law sadly committing suicide and Tim having a heart attack from the stress. Tim decided that part of the solution was to buy his brother out, which he duly did. Thus the interviewee was now the sole owner of the business but explained that he still regarded it very much as a FB.

Planning for succession to the next (fourth) generation had been undertaken by Tim. He has three sons, with the eldest having joined the business in recent years. The other two sons are still at university and have not, as yet, shown any interest in joining. After completing his degree the eldest son asked his father to help him establish a small business. His father suggested they tour ClothCo's production facilities so that his son could develop a better understanding of the existing FB. While in India the eldest son developed a good relationship with the manager of the India plant who subsequently offered him a position. This son therefore started working in India, with his father seeing this as valuable experience for him and an opportunity "to prove himself". The interviewee had sought professional advice on planning for the ownership transition. Essentially the plans consist of treating all three of his sons equally in terms of shares but giving the eldest son voting control. Therefore ClothCo could be described as being in the early stages of transition to the fourth generation.

8.4.3   Cloth Co Findings

A summary data structure is presented in Figure 8.6

Figure 8.6: ClothCo data structure

1st order concepts	2nd order themes

History of intra-family tensions & conflict, including gender issues & sibling rivalry

Legitimation through experience in FB feature of previous and current incumbent - (prospective) successor relationships

Generational shift in patterns of intra-family communication re. succession issues

Concentration of ownership to avoid tensions but possible problems in future when transfer of ownership to 4th generation?

→ History of intra-family conflict shaped successions and thinking about next transition

Openness to external input

Sought specific external expertise on succession - perceived as generational shift in attitudes

→ Valued external input

Cross-boundary relationship initiation phase:
- Drew on existing network tie to identify source of support re. succession
- Strong tie bridging to new contacts
- Important role of third party connecting tie
- Trust a feature in determining who brought into the succession process

→ Existing tie utilised to extend network to trusted other to support succession

Resource flows from external tie:
- Impartial and experience-based advice
- Issue identification & solution development
- Sounding board

Tangible impact of advisor on succession process

→ Tie utility: resources accessed through external tie to support process

Relationship with external tie:

Deep understanding of family and family firm & commitment to their success

Basis of mutual respect and personal rapport

Emergent trust basis

→ Multidimensional relationship with external advisor shaping succession

8.4.3.1 Family relationships

Tim emphasised the issues that lay behind "the façade" of family unity, including problems over the decades with drugs, alcohol and suicide which he regarded as all being linked in different ways and to different extents to the FB. Indeed, the interviewee went as far as to say that "there was not much to

commend FB", despite at the same time being committed to the success and continuation of ClothCo. As noted, the daughters and granddaughters of the founder were excluded from the business and succession in line with traditional patriarchal attitudes. Thus gender discrimination was one source of friction, aligning with the FBS literature (Wang, 2010). Intra-family tensions shaped Tim's early experience in the business and drove his actions to take control of its ownership. When he entered the firm in the 1970s the shareholding had become diluted, although it was still within the founding families. At this point the interviewee felt that "he was a youngster in the business, surrounded by older people sharpening their knives for when his father died". Subsequently he and his brother bought out the other shareholders in order to get control and, in Tim's view, seek to avoid the type of tensions and jealousies which had plagued the FB.

One facet of the tensions was the relationship between Tim and his father. The interviewee felt that his father reflected traditional attitudes and favoured his older brother on the basis that he was the eldest son. This especially rankled with him since his "brother only got a few O levels" while he "got a degree from [top university]". However, perhaps surprisingly, it appears that the strained father-son relationship did not adversely impact the process of handing over control to Tim and his brother. This contrasts with the literature which identifies the quality of the relationship between the leader and the successor as a critical determinant of the succession process (Cabrera-Suarez et al., 2001; Brockhaus, 2004; Venter et al., 2005). A possible reason for this was that the transition was to both brothers and the sibling tension was at this point held in check.

However, the sibling tensions eventually boiled over, partially stimulated by the difficult financial situation faced by the business. Tim commented that in a FB "when the shit hits the fan you go from being a hero to being the worst person". As the bank called in ClothCo's debts and they were undercut by overseas competition, the relationship between Tim and his brother and his brother's wife soured. Divisions with his brother escalated and they ended up going to court to settle their dispute. The interviewee's sister-in-law sadly took her own life and he was partially blamed for this tragic event as well. Clearly relations reached a very low ebb between the two brothers and, along with his stress-induced heart attack, prompted Tim to buy his brother out. By becoming the sole shareholder

Tim described how he had been "happy" ever since. He eventually reconciled with his brother, helped by the fact his brother no longer has anything to do with the business. Thus the difficulties were resolved by effectively separating the family and business dimensions, at least in terms of this generation.

Conscious of the damage intra-family divisions had wrought on the FB Tim had been proactively planning for the transition to his own sons. At the time of interview only his eldest son was working in the business. He was learning the business in the India plant, consistent with the literature's emphasis on the need for prospective successor preparation and development (Sharma et al., 2000; Ip & Jacobs, 2006; De Massis et al., 2008). Tim saw his eldest son as the most like him – a "chip off the old block" – with entrepreneurial flair. While his two other sons were, as yet, too young to join the business, it appeared that his closest relationship was with the eldest son. Perhaps the perceived similarity between them gave him the confidence that he would be successful in the FB and helped underpin his decision to give this son voting control in the succession plan.

As well as his heart attack and the age of his sons, another factor stimulating Tim's commencement of succession planning was that his sons had already asked him what he was going to do with the business in his will. He observed how "there had been a generational shift in attitudes" that his sons felt they could ask these questions. He stressed how different this was from the relationship with his own father; if he had asked his father about such things he would have "been told where to go". Tim had been open with his sons about the plans for giving them equal share ownership in his will and emphasised that he plans to hold a yearly meeting with the sons and the Board so that they "are fully informed about the business". This openness and communication differs from the experience in previous generations. However, it remains to be seen whether there will again be conflicts emerging once the three sons are in ownership without the dominant influence of their father and with one son having voting control. Furthermore, with Tim viewing the transition as something to occur upon his death, there may be conflict at some stage relating to the incumbent's reluctance to 'let go' (Levinson, 1971; Lansberg, 1988; Dyer & Handler, 1994; Handler, 1994; Filser et al., 2013).

8.4.3.2 Openness to external input

In thinking about the succession to the fourth generation, Tim recognised that he needed external advice about how best to proceed, reflecting his broader openness to external thinking. The interviewee argued that having only family members on FB boards was "a disaster". Therefore, he had brought outsiders on to the ClothCo board. With their professional backgrounds these individuals provided challenge to Tim and helped him identify and evaluate issues. He also emphasised that they were respected in business circles and therefore brought the benefit of these contacts to the firm. The literature suggests the contribution a board of directors with qualified outsiders who have the trust of the family can make to minimising intra-family conflict and supporting generational transfers (Lansberg, 1988; Gersick et al., 1997; Voordeckers et al., 2007; Bammens et al., 2011). However, the external members of the ClothCo board were not involved in devising the succession plan. Tim believed that while it was important for the external directors "to be interested in succession" this did not extend to them advising on this aspect of business strategy because he thought he would "just get the usual platitudes" and "be urged to sell the business". Thus the interviewee sought other external input on succession. He knew he "needed an advisor" and that this, in his view, represented a generational shift because neither his father nor grandfather would have sought external advice about FBS. In contrast, he felt that the scale and complexity of the modern business meant that thinking about succession matters necessitated expert external advice.

8.4.3.3 Utilisation of existing networks

Tim explained that his and his wife's network of friends and acquaintances from their time at university had been a very useful source of contacts over the years. In considering what advisor to use in relation to succession planning he once again turned to this network. He explained that his wife's best friend at university had gone on to be a successful solicitor who had been the principal legal advisor to a famous rock band. She had also become the band's director of business affairs and had advised the band's lead singer on his high profile divorce and family issues. Tim felt that if this individual could "deal with all the tensions, money and profile" involved in advising what he considered to be a very well run global brand then she could be the right person to help him. In addition, the advisor had a strong record advising other high net worth

individuals, providing an initial basis for trust by virtue of her reputation and standing in her professional community. This was underpinned by institutional-based trust, allowing for the use of 'anonymous' sources in business relationships such as consultants or new partners because there are legal safeguards and sanctions in case the relationship fails (Zucker, 1986; Welter & Smallbone, 2006).

The notion of third parties acting as important 'go-betweens' in new relationships also has relevance in that it was the interviewee's wife who made the referral. This brokering function set expectations of trust between the newly introduced actors and helped equip the new relationship with resources from a pre-existing embedded tie (Uzzi, 1997; Jonsson, 2015). It is notable that the connection to the advisor was made through the interviewee's wife – a tie that would be described by Granovetter (1973) as a strong tie. This contrasts to a theme in the literature which argues that while information and connections gained through strong ties will tend to be accurate and trustworthy, it may be of limited use since strong tie actors can be anticipated to move in similar, if not the same, social circles (Granovetter, 1973; Anderson et al., 2005; Jack, 2005). Given the importance of trust in the FB context (Sundaramurthy, 2008; Eddleston et al., 2010) it may be that the recommendation needed to come from a close and trusted family tie to enable the interviewee to have the confidence to bring an outsider into the personal and sensitive discussion around succession.

8.4.3.4 External tie utility and nature

The advisor proved to be useful to Tim, providing him with several resources. As well as professional legal advice, the advisor acted as a sounding board for him to discuss the succession issues. Drawing on her experience she also helped him identify potential issues and develop solutions to manage these. For example, she emphasised the need to protect the business against the possible negative impact of future wives and this point was taken on board by the interviewee. She advised about the form the plans and structures should take for the transition. However, in making her recommendations, the legal advisor did not meet with any family members other than Tim; it was not the type of more comprehensive succession planning process offered by some business consultancies.

The advisor's view was that you do not want the sons to fall out with each other and so there was a need to treat them equally in terms of shares. However, one individual needed to have control and therefore the eldest should be given voting control, alongside a series of shareholder agreements between the sons so that if either of the other two wanted to sell the shares there was a formula to do this within the business. Tim noted that "his plan for succession was now based on the advice of [the advisor] and the lawyers are drawing it up". The importance of communication within the family was also stressed by the advisor and the interviewee noted that he had therefore already discussed the plans with his sons. The legal advisor had a direct influence on the shape of the ClothCo succession plan. This influence indicates once again the need to address the existing literature's inadequate appreciation of the impact relationships with actors outside the family and FB can have on how FBs conceive of, plan for, manage, and experience succession.

As well as its utility, the tie with the advisor can be understood in terms of other characteristics. It was primarily a professional consultancy type relationship but the interview suggested it went deeper than this. Tim explained how he got on well with the advisor, that he liked her on a personal level. In particular, he valued the way she listened carefully to his concerns and explanations; something which he felt many other advisors fail to do effectively. The interviewee also felt that the advisor was genuinely interested in his business, the succession process, and shared his desire for the continued success of the FB. In addition, as discussed previously, the connection was made through his wife who had been close friends with the advisor in years gone by. Thus there was something of a personal dimension to the relationship. However, this should not be overstated; the relationship did not extend to friendship, socialising or being a confidante. The tie was not characterised by what Hite (2003: 25) terms 'affect' or 'sociality'. The tie can also be understood in terms of the trust basis. An initial institutional-based type of trust developed into a KBT (Lewicki & Bunker, 1996) trust grounded in reciprocal, recurring exchange over time. The external tie could not be described as strong in Granovetter's (1973) terms, however, it had more depth that the type of weak ties he describes, again signifying the merit in re-examining the dichotomous conceptualisation of strong/weak ties, at least in the FBS context.

8.5   Conclusion

A full cross-case analysis is presented in the next chapter. At this point common themes to emerge from the FBs where only one individual was interviewed are identified. While two of the interviewees were discussing a succession which had taken place in recent years (CoffeeCo and PrintBiz), the ClothCo case primarily dealt with the planning that had been undertaken for a forthcoming transition. Nevertheless, there were commonalities between the cases.

The history and state of intra-family relations were identified as having had an influence on the experiences of succession. The largely positive relations within CoffeeCo and PrintBiz helped underpin relatively smooth transitions, while the earlier divisions within the ClothCo family had served to make the current incumbent prioritise communication and careful planning for the next transition. All three interviews highlighted the importance of the relationship between the incumbent and the prospective successor, a prominent theme in the literature. In both CoffeeCo and PrintBiz this was an uncle-nephew relationship which was identified as having subtle complexities which shaped both transitions. PrintBiz was the only instance of conflict between the prospective family successor and a non-family director influencing the timing and shape of the succession.

All three interviewees recognised that it would be helpful to seek external advice in relation to their respective succession processes. In each case there was a greater openness to external input amongst this younger generation than amongst the previous generation. Each interviewee drew upon their existing networks to identify trusted sources of external support. Even amongst just these three businesses there was a wide range of individuals and organisations utilised, including friends, financial advisors, legal advisors, suppliers and a regional development agency. The range and influence of these contacts on the transition processes indicate the need for the literature to better appreciate the role of external actors in influencing how FBS is though about, planned, and implemented. Relationships with these actors naturally varied, however, each tie fulfilled various functions for the interviewees, including providing professional advice, reassurance, and help with issue identification. This utility feature was combined with at least some of the ties having a personal dimension in terms of rapport and the external actor being considered to be genuinely

committed to achieving the best outcomes for the family. Finally, trust emerged as a facet in shaping who family members turned to for support. All three succession processes indicated the relevance of the relational embeddedness concept in that interpersonal relations shaped actions and transition experiences.

9 CROSS CASE ANALYSIS AND INTERPRETATION

9.1   FBS and its multiple stakeholders

Chapters 5-8 have set out the findings from the in-depth and 'mini' cases. This chapter begins with Figure 9.1 bringing together the second order themes from the data structure diagrams in each case study to present aggregate themes. The first section of this chapter (9.1) draws together the findings from all the cases to provide analysis on the key themes that emerged relating to FBS. Particular focus is given to the themes concerned with how external actors were involved in the succession processes, including the range of external stakeholders and the roles these parties played. Making the connections back to the literature review in chapter 2, where the research complements existing research this is identified, as well as highlighting new contributions. The second section of this chapter (9.2) analyses the findings from all the cases and offers interpretation to address the second dimension of the research objectives outlined in chapter 1 focused on extending theoretical understanding of the concept of relational embeddedness. Drawing once again on the literature reviewed in chapter 2, section 9.2 discusses the dimensions of network tie content, including the resources flowing across the ties, the notion of tie strength and the role of trust in deepening understanding of relational embeddedness in the FBS context.

Figure 9.1: Composite data structure diagram

Case study second order themes   Aggregate dimensions

- Strong incumbent-successor relationship (Star-Textile)
- Varying nature of familial ties impact on succession process (LuxJewel)
- Varying nature of familial ties impact on succession process (FuelCo)
- Strong family relations underpinning effective succession planning process so far (HotelBiz)
- Good intra-family relations & small scale underpinning succession process (CoffeeCo)
- Complex intra-family & intra-firm relationships impact on succession process (PrintBiz)
- History of intra-family conflict shaped successions and thinking about next transition (ClothCo)

→ Importance of intra-family relations, especially incumbent-successor

- Importance of privacy & generational differences in openness to external input (Star-Textile)
- Valued external input – multiple stakeholder nature of the succession process (LuxJewel)
- Valued external input – range of stakeholders involved (FuelCo)
- Valued external input – key in triggering succession planning action (HotelBiz)
- Some external input – multiple stakeholder nature of succession process (CoffeeCo)
- Differing generational perspectives on value of external input (PrintBiz)
- Valued external input (ClothCo)

→ Openness to external input

- Existing ties utilised to extend network to trusted others to support succession (LuxJewel)
- Existing & new ties utilised to extend network to trusted others to support succession (FuelCo)
- Existing ties extended to bring in one main trusted external source to support succession (HotelBiz)
- Existing ties utilised as trusted sources of guidance (CoffeeCo)
- New & existing ties utilised as trusted sources of guidance (PrintBiz)
- Existing tie utilised to extend network to trusted other to support succession (ClothCo)

→ Use of existing ties for support and to extend networks

- Tie function & utility: multiple resources through external ties to support succession (Star-Textile)
- Tie utility: multifaceted resources accessed through external ties to support succession (LuxJewel)
- Tie utility: range of resources accessed through external ties to support succession (FuelCo)
- Tie utility: multifaceted resources accessed through external tie to support succession (HotelBiz)
- Tie utility: various resources accessed through external ties to support decision-making (CoffeeCo)
- Tie utility: resources accessed through external ties to support process (PrintBiz)
- Tie utility: resources accessed through external tie to support process (ClothCo)

→ External tie utility: multifaceted resource flows

- Nature of relationships with external individuals influenced succession process (Star-Textile)
- Richness, depth and trust-based nature of key network ties relevant to succession (LuxJewel)
- Trust-based and personal closeness of external ties influencing succession process (FuelCo)
- Multidimensional relationship with external advisor shaped succession process (HotelBiz)
- Varying nature of relationships with individuals (CoffeeCo)
- Multidimensional relationship with external advisor shaping succession (ClothCo)

→ Complex nature of cross-boundary relationships

- Tangible impacts of external relationships on succession process and outcomes (Star-Textile)
- External tie impacts on succession: establishing scope & structures/processes (LuxJewel)
- External tie impacts on succession: establishing scope & structures/processes & re-entry of next generation (FuelCo)
- Influence of external advisor on key aspects of succession (HotelBiz)

→ External tie impacts on succession

9.1.2 Succession as a critical and multi-stage process

As discussed in the literature review, the seriousness of succession and its potential to threaten the harmony of the family and very viability of the firm is emphasised by FB scholars (Handler & Kram, 1988; Kets de Vries, 1993; Cromie et al., 1995; Morris et al., 1997; Colli et al., 2003; Neubauer, 2003; De Massis et al., 2008; Filser et al., 2013). All the FBs recognised, or came to recognise, the challenge presented by succession and had therefore taken steps to manage the process. However, only the FuelCo case provided an example of where the ownership transition profoundly threatened the family unit through the way it engendered intra-family conflict.

Another area of emphasis in the FBS literature is that succession is not a one-off event but a multidimensional process over a period of years (Stavrou, 1999; Cabrera-Suarez et al., 2001; Sharma et al., 2003b; Lambrecht, 2005; Filser et al., 2013). The case studies bear this out with all of them taking place over a

number of years and some anticipated to continue to unfold over several years. Indeed, the FuelCo dual-stage succession in leadership and then protracted ownership transition took place over twenty years. This differs from Murray's (2002, 2003) argument that a realistic timescale for a generational succession is between three and seven years. While the literature presents the succession process as multi-staged, complex and often lengthy there is still a sense that it is a finite process with clearly discernible beginnings and ends. However, the cases indicate that there can be a significant degree of ambiguity about what constitutes the start/end points of various stages. For example, it is arguable that in PrintBiz the transition began when the current MD (Steve) joined the business twenty-five years ago and is still underway with his recent receipt of shares and the prospect of the remainder of the shares being distributed in the future. The gradualness and fluidity of the phases articulated by the interviewees suggests that the literature could helpfully encompass an enhanced recognition of the temporal complexity of intergenerational succession.

9.1.3   Incumbent-successor relationships

The importance of the relationship between the incumbent and successor is another theme emphasised in existing research (Cabrera-Suarez et al., 2001; Le Breton-Miller et al., 2004; Sharma, 2004; Brockhaus, 2004) and this was reflected in the case studies. There are naturally multiple facets to this type of relationship but one that emerged strongly was the importance of legitimation of the prospective successor in the eyes of the incumbent, thus giving the latter the necessary confidence in the next generation. Fred3 – MD proved his mettle through ultimately making a success of his time abroad and then succeeding in various roles within LuxJewel. In FuelCo it was Ken's performance in the business and, in particular, in the buy-out that proved him to be capable in the eyes of his father and cemented his transition into the CEO role. Similarly, the successors in StarTextile, PrintBiz and ClothCo demonstrated their ability through climbing the rungs and exhibiting competence within their respective firms. The HotelBiz and CoffeeCo successors earned their basis of legitimacy through successful careers outside the FB. The prominence of successor legitimacy in the eyes of the incumbent complements the existing literature which points to a wide range of factors producing the type of incumbent-successor relationships necessary for successful intergenerational transitions.

The uncle-nephew relationships in StarTextile, CoffeeCo and PrintBiz possessed a subtly different dynamic to the father-son relationships in the other cases. In each of these cases the uncle was still a presence in the business in the role of Chairman and majority shareholder. The successors explained that while they got on with their uncle/predecessor on a personal basis the relationship was simultaneously characterised by a recognition that the incumbent was one step removed in family terms and had a strong business focus. There was a sense of distinctive boundaries rooted in respect for their uncles' experience and length of service which they were reluctant to breach. This dynamic was most pronounced in the PrintBiz example where deference on the successor's part inhibited communication to the detriment of the business at various points. Too often perhaps there is an assumption that the transition is between parent and child (Gersick et al., 1997; Nordqvist & Melin, 2010), however, the nuances of the uncle-nephew relationships indicate that further research on this topic (including where aunts and nieces are involved) would make a useful contribution to the field of FBS research.

The exploration of relationships between the incumbents and the next generation also touched on issues of gender. With the exception of LuxJewel and HotelBiz, the cases displayed a traditional bias against daughters throughout the history of the firms with the assumption that girls would not be involved, at least not in an active business management role. This stance is reflective of the types of macro (societal/cultural attitudes towards women) and micro (individual and family) factors that Wang (2010) notes both stereotype and discriminate against daughters in FBs. In FuelCo, LuxJewel and HotelBiz female members of the next generation were interviewed – two who were not lead successors (Gina3 - LuxJewel and Pippa2 - HotelBiz) and one who was only a successor in terms of gaining a shareholding upon the incumbent's demise (Linda3 - FuelCo). Linda described her father as 'sexist' for his refusal to allow his daughters to participate in a 'male' industry and subsequently leaving his daughters smaller shareholdings than their three brothers. This view was supported by the other two interviewees in the case. With HotelBiz Pippa2 (Marketing Director) did not articulate a sense that she had been overlooked based on her gender, however, there was the impression given by her father that, although he valued his daughter's input to the business, he was more pleased about his son deciding

to enter the FB. The LuxJewel situation was more coloured by gender, at least from the perception of the daughter.   These interviews provided voice to individuals often neglected in FBS research (Birley, 2002) and indicate that an enhanced understanding of gender issues in FBS could be developed through researchers placing more focus on these stakeholders in the succession process.

A key factor highlighted in the literature in the incumbent-successor relationship is the reluctance (or even refusal) of the incumbent to 'let go' (Levinson, 1971; Lansberg, 1988; Handler & Kram, 1988; Rose, 1993; Dyer & Handler, 1994; Handler, 1994; Stavrou, 1999; Ibrahim et al., 2001; Lambrecht, 2005; De Massis et al., 2008; Mitchell et al., 2009; Filser et al., 2013; Cater & Kidwell, 2014; Mussolino and Calabro, 2014). The cases align with this tendency for incumbents to struggle to relinquish control and the intense complexity of the shifts that have to take place within the process of mutual role adjustment between founder/incumbent and next generation successor (Handler, 1994). In FuelCo the determination of the incumbent to retain control engendered deep divisions between and within generations. In Mussolino and Calabro's (2014) terms this was an example of the type of authoritarian paternalism which can damage an intergenerational succession. The other cases involved (and/or continue to involve) the deployment of a type of moral or benevolent paternalism (Mussolino and Calabro, 2014) which, if handled carefully, can benefit the succession process. Star-Textile and CoffeeCo appear to be examples of where such a strategy has borne fruit, however, the results have been more mixed in PrintBiz where the successor remains somewhat constrained by the Chairman. It remains to be seen how the strategy of benevolent paternalism may unfold in those FBs still in the early stages of transition – HotelBiz and ClothCo. In LuxJewel this point was arguably being approached with the incoming generation being content *for the moment* with the continued involvement of the Executive Chairman. Mussolino and Calabro's (2014) paper is theoretical and therefore this study makes a contribution to providing some empirical evidence to support elements of their propositions. Returning to the FBs in the future could enable more focused exploration of the concept of paternalism and its perceived impacts on the succession processes.

9.1.4 Range of external stakeholders

Earlier consultancy-oriented publications noted the importance of founders/incumbents drawing upon external advisors to assist with succession (Barnes & Hershon, 1976; Beckhard & Dyer, 1983; Dyer & Handler, 1994). However, the lens of FBS researchers has remained focused on issues within the family and FB. The cases illustrate that interactions with external actors can significantly shape succession processes in multiple ways. A wide range of interpersonal and inter-organisational exchanges and relationships were considered by the participants to have impacted on the respective transitions. Table 9.1 summarises these interactions as well as indicating how the firms were open to external input more broadly – not just in connection with supporting the succession processes:

Table 9.1: Summary of external interactions

	Star-Textile (pilot)	LuxJewel	FuelCo	Hotel-Biz	Coffee-Co	PrintBiz	Cloth Co
External stakeholders with whom family members had direct relationships[13] and who they identified as having influenced the succession process	External business consultant Friend/ mentor	Private advisory group External accountancy advisor Business consultant & Non-exec board member External mentor Professional legal & financial advice	Legal advisor & financial advisor (both also became Non-executives & executors of incumbent's will) Taxation advisor PA & confidante Academic course Other professional legal & financial advice	External FB consultant Course run by university & external consultancy	Friend in similar FB situation External accountants Suppliers	Course run by Regional Development Agency Financial advisor	Legal/ business advisor
External stakeholders who indirectly influenced succession		Career experiences before joining FB Experiences of other FBs	Experiences of other FBs	Experiences of other FBs Bank			
Other sources of external input utilised (not specifically in connection with the succession)		Involved in representative/ networking/ industry bodies	Various Non-Executives on Board MSc in Exec Leadership	Masters degree in business Diplomas in other fields of marketing Involved in representative/ networking/ industry bodies		Action coach Strategic sales programme	Non-Executives on Board

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[13] All the FBs used professional business services (solicitors and accountants) to implement the necessary legal and financial aspects of succession processes. These types of ties are only listed in the table where the interviewees identified these relationships as having substantially influenced the pattern of succession.

The often complex nature of the relationships summarised in Table 9.1 is explored in section 9.2 but what is striking looking at the overview is the range of individuals and organisations who were judged by the interviewees to have, in various ways, shaped the succession processes. Unsurprisingly professional business advisors – both FB advisors and legal/financial advisors - feature in all the cases. However, some of these individuals were involved in much deeper relationships with family members than others. External courses or programmes run by academic institutions were identified as relevant in three of the cases, suggesting the potential value of these type of support arenas to FBs facing generational transitions. Mentors were identified in two of the cases and, indeed, there was also a mentoring dimension to the advisory relationships in the FuelCo case. Friends emerged as sources of support and influence in two of the cases. It is perhaps notable that certain types of external stakeholders did not feature. For example, interviewees did not see customers/clients, industry/trade bodies, or online sources as having impacted on how they thought about and implemented succession. The broad brush categorisation indicates the range of external stakeholders who can be involved in shaping intergenerational transitions and, therefore, the need for a more nuanced conception of succession as a social process.

9.1.5 Openness to external input

All of the FBs examined were, to some extent, open to external thinking and input, with the interviewees in five of the firms, in particular, displaying these characteristics[14]. This openness included a general willingness to seek external input (as well as specifically in relation to succession), at least on the part of those interviewed. Although Star-Textile and CoffeeCo exhibited some reluctance to engage with outsiders, the outward orientation of the majority of the firms suggests a need to better understand why this was the case given the literature's emphasis on FBs guarding their privacy and preferring internal sources of advice and resources (Chua et al., 2003; Roessl, 2005; Lester and Cannella, 2006).

There appear to be a few common features to the cases. In LuxJewel, FuelCo, HotelBiz and PrintBiz, interviewees expressed how valuable they had found

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[14] LuxJewel, FuelCo, HotelBiz, PrintBiz, and ClothCo

particular cross-boundary interactions and these seemed to stimulate their openness to other sources of input. For example, Eric2 - EC and Fred3 – MD (LuxJewel) stressed the value they had derived from the Vistage network and this had broadened their perspectives. The HotelBiz and PrintBiz protagonists pointed to their involvement in various types of courses run by academic institutions (in conjunction with other bodies) as pivotal experiences that appeared to open their vistas to a broader spectrum of external input. There is a connection to the idea of 'critical events' in entrepreneurial learning as advanced by Cope (2005) who argues that significant events or episodes can have substantial impacts on entrepreneurs' learning and development. These discontinuous events can transform an individual's awareness regarding the effective management of their business as well as their own personal underlying assumptions and mindsets (Cope, 2005).

In addition to these enlightening interactions, the data suggests that where individuals had careers outside the FB these experiences were significant in shaping their attitudes towards external contributions. Thus, for example, the third generation family members in LuxJewel highlighted the learning they had taken from their previous career experiences, including awareness of the various sources of ideas available beyond the boundaries of the FB. However, it is interesting to note that external experience seemed to have the opposite effect in CoffeeCo. Here the MD's earlier qualifications and career resulted in his view that he did not need to draw to a significant degree on external professional advice in relation to entering and growing the FB.

This confidence can perhaps be explained in terms of the small scale and lack of complexity that characterised CoffeeCo. Indeed, this dimension is a third factor helping to explain why most of the cases exhibited an openness to external input. The size, scale and level of financial resources involved served to reinforce family leaders' recognition of the need to draw on external advice. However, there were exceptions. Despite employing over 500 people, Bill, the Star-Textile MD was notably reluctant to seek external input. Interestingly, this attitude contrasted with that of his predecessor (Adam) who had drawn upon external actors to assist him and his brothers manage the succession process. However, the generational shift was in the opposite direction in three of the other cases. In FuelCo, PrintBiz and ClothCo it was the younger generations

who were more inclined to seek out and utilise input from outside the family/FB. For example, the ClothCo boss knew he needed an advisor in relation to the transition process and that this, in his view, represented a generational shift because neither his father nor grandfather would have sought external advice about FBS. In LuxJewel and HotelBiz, however, the notion of a generational shift in attitudes to external input could not be detected. In these firms both generations interviewed displayed a distinct openness to ideas beyond the FB boundaries.

A final point worth noting is that the fact that these FBs were willing to participate in the research arguably indicated an outward orientation. Overall, as summarised in Table 9.2, it appears that a particular enlightening cross-boundary exchange, career experiences pre-entry to the FB, enterprise scale and complexity, and, in certain instances, a generational attitudinal shift combine to explain why the FBs seemed to contradict the literature's emphasis on FBs resisting external involvement as part of protecting their privacy. It suggests that this position is perhaps one that has been taken as a 'given' in FB research without being subject to adequate scrutiny. Undoubtedly FBs are concerned about privacy and many do maintain an overwhelmingly internal orientation, however, this study suggests that a more nuanced understanding of family firms' attitudes to external input and the underpinning rationales may need to be developed. The findings indicate the importance of the nature of the relationships with the external actors – family members were arguably able to embrace external input as well as protect their privacy by virtue of the trust within the tie (discussed in section 9.2).

Table 9.2: Suggested reasons for openness to external input

Suggested reasons for FB openness to external input	Identified in these cases
Specific cross-boundary enlightening experience	LuxJewel, FuelCo, HotelBiz & PrintBiz
Previous careers outside the FB	LuxJewel, FuelCo, HotelBiz
FB scale and complexity	LuxJewel, FuelCo, ClothCo
Generational attitudinal shift	FuelCo, PrintBiz, ClothCo

In exploring who the relevant external stakeholders were it emerged that the succession experiences of other FBs had an impact on several of the family interviewees. The attitudes towards succession planning of the LuxJewel and

HotelBiz family members and, to a lesser extent, FuelCo family members were partially shaped by an element of vicarious learning through their awareness of the challenges other FBs had faced. In HotelBiz it was hearing about the experiences of other families as part of the succession planning course they attended that convinced Norman (founder/MD) and his daughter, Pippa, of the need to seriously engage in a planning process. In LuxJewel Eric2 - EC identified a particular conversation he had with a member of a FB as having influenced how he thought about the potential roles for his children, convincing him that he would never make his children feel obligated to enter the FB. While this dimension of vicarious learning through awareness of other family businesses' succession experiences was notable in these three cases it should not be overstated. The family members in the other cases did not identify this dimension in terms of the influence external actors had in their respective transitions. Nevertheless, it is a thought-provoking dimension which has not been explored in existing research.

9.1.6 Roles of external stakeholders

Having identified that various external stakeholders can be influential in FBS processes it is helpful to explore what functions these actors can fulfil. Table 9.3 summarises the resources provided by the external ties across the case studies. The following section addresses which types of resources were common across the cases or unique to cases and, additionally, how these findings align or contrast with the existing literature.

Table 9.3: Resources provided by external ties in relation to succession

	Star-Textile (pilot)	LuxJewel	FuelCo	HotelBiz	CoffeeCo	PrintBiz	ClothCo
Resources provided by external ties as identified by participants	Impartial experience-based advice	Impartial experience-based advice	Impartial experience-based advice	Impartial experience-based advice	Impartial experience-based advice	Impartial experience-based advice	Impartial experience-based advice
	Issue identification & analysis	Issue identification & analysis	Issue identification & analysis	Issue identification & analysis	Issue identification	Issue identification	Issue identification & analysis
	Solution development	Solution development incl. facilitating role change	Solution development	Solution development		Solution development	Solution development
	Triggered thinking & action	Triggered wider action	Triggered action	Triggered action		Triggered action; momentum	
	Legitimisation & reassurance	Convincing, validating & reassuring		Reassurance	Reassurance	Reassurance	
			Talking things through		Talking things through/ sounding board		Sounding board
		Broadened perspectives		Broadened perspectives			
		Tempering emotions & tensions		Ensuring emotional dimensions addressed			
		Mentoring & supporting personal development		Dev. of leadership capacity			
		Involvement of non-family managers		Opening & embedding lines of communication	Enabled vicarious learning		

It is perhaps unsurprising that in all the cases interviewees identified the provision of advice as a central function performed by the external stakeholders in supporting the respective succession processes. Critically, it was the impartial and experience-based nature of this advice that interviewees particularly valued. This finding complements one of the very few academic studies on FB advising which identifies independent, objective advice as a key contribution of 'most trusted advisors' (Strike, 2013). However, it is worth noting that this advice function was fulfilled by actors other than just the type of 'most trusted advisors' who are the focus of Strike's study. The advisors she interviewed were all either lawyers or accountants by training which, she argues, gave them the necessary expertise to support the FBs. By contrast, Mary – PA/confidante to the FuelCo father/incumbent, distinguished part of her role as offering him advice on the emotional and family dimensions of his estate planning and succession plans. Similarly, the friend/mentor who was a source of succession-related advice to Adam (Chairman – Star-Textile) did not have a legal or accountancy background and neither did the central advisor in the LuxJewel case, Ian, who had a background in psychology and business. Therefore, a better appreciation is required of the variety of types of informal as well as formal external advisors who may provide advice as part of intergenerational transition processes.

Another function fulfilled by external individuals in all the cases was assistance with issue identification. The issue identification and analysis role of advisors in the FBS context has been overlooked as a subject of research. Issue identification took place in different ways across the cases. For example, the consultant in the Star-Textile case stimulated the incumbent brothers' thinking about how to differentiate between bringing the next generation into the business and managing the next generation of shareholders. Consequently, the brothers set up formal and informal structures to manage the increasingly complex family shareholder relationships. In contrast, it was the courses attended by family members from FuelCo, HotelBiz, and PrintBiz that helped guide them to issues that needed to be addressed as part of the transition planning. In most cases the external stakeholders also provided assistance with solution development.   In LuxJewel Ian – consultant/NEBM drove important parts of the process, including setting up mentoring arrangements and designing the new board structure. He also drove the process of designing the new roles that family

members and senior managers needed to take on to facilitate and achieve the transition.

The process of issue identification and solution development was closely bound up with triggering action on succession in a majority of the cases. For example, in FuelCo the shareholders' agreement emerged from Ken's participation in the 'Owners Directors Programme' at a leading business school. It was attending the FBS course organised by the regional development agency that helped trigger more concerted action on succession in PrintBiz. Attending the FBS course and then working with Queenie (external consultant) prompted the HotelBiz family to recognise the complexity of succession and take action to plan for it. This notion of triggering action adds an interesting dimension to the functions fulfilled by external stakeholders in the FBS context. While the sorts of triggers that already feature in the literature such as deaths, health scares, ageing, and changes amongst non-family management, also featured in the case study firms, it appears that a broader conceptualisation of triggers for succession planning and implementation is required. External actors can be important in galvanising family members into action and influencing the shape of this action.

External actors fulfilled another role in terms of providing reassurance and legitimation in five of the cases. Again, this is a function of FB advising not yet addressed in the literature and another dimension of the research gap around external relations in the process of intergenerational succession. For example, seeking the opinion of the accountants and talking to the firm's suppliers were predominantly about Ryan reassuring himself about the risks he would be taking in joining CoffeeCo. The participative process with the external consultant similarly provided the HotelBiz family members with a sense of reassurance and security that they were all on 'the same hymn sheet' regarding the future plans for the business. Ian – consultant/NEBM had a critical legitimising role in LuxJewel through his use of psychometric techniques as part of a rigorous process to underpin successor selection which reassured the incumbent, successor and non-family managers. The external individuals were seen to be objective, impartial and credible in the eyes of the family members and this enabled them to fulfil this important reassurance and validation role which contributed to smoothing the succession processes and, arguably, would have been impossible solely through introspection.

Other functions of the external actors were identified, however, these were only present in a minority of cases. Nevertheless, they warrant mention given that they were noted by interviewees to be important in shaping succession and to recognise the multidimensionality of the role external stakeholders can potentially play in transition processes. Firstly, the FuelCo, CoffeeCo and ClothCo successors all observed the value they derived from talking things through with the external individuals. The importance of this listening and sounding board role should not be underestimated in supporting the transitional processes. Secondly, the LuxJewel and HotelBiz interviewees remarked upon the role of external ties in broadening their perspectives about succession and its associated complexities. Norman, HotelBiz founder/MD, described the course and engagement with the external consultant as an 'eye-opener' for him and his children.

Another dimension to the external consultants' contributions emphasised by interviewees in two cases was their role in ensuring emotional aspects were addressed. This is an interesting dimension, particularly given the emphasis on the potentially damaging impact of emotions and intra-family conflict in the FBS literature (Sharma, 2004; Getz & Petersen, 2004; Ip & Jacobs, 2006; Nordqvist & Melin, 2010) and an emerging focus on emotions in the intersection of the FB and entrepreneurship fields (Shepherd, 2016). Through his objective approach and friendly manner Ian - consultant/NEBM helped the LuxJewel family manage some of the emotions and tensions, providing a calming influence. In the HotelBiz case the external consultant's role was not to temper family emotions but rather to ensure that emotion-related issues were articulated and pre-empted. By looking specifically at succession the two cases extend the work of Strike (2013) in what appears to be the only study to date to include consideration of the emotional dimension to the FB advisor role. She finds that in the North American FBs studied 'most trusted advisors' can facilitate an environment of 'collaborative interrelating' and the most effective advisors have a breadth of experience and expertise enabling them to understand families' emotional as well as financial, tax, and legal concerns.

The literature identifies a function for independent members on FB boards as mediators between feuding family factions who can help build consensus by focusing on objective facts, provided the board members are competent and have

the trust of the family members (Lester & Cannella, 2006; Voordeckers et al., 2007; Bammens et al., 2011). The LuxJewel and HotelBiz cases suggest that such roles can also be fulfilled in relation to intergenerational succession by external advisors who do not necessarily have to be independent board members[15]. Furthermore, there can be a distinctly preventative slant to this role rather than ameliorating existing tensions which seems to be the predominant focus in the relevant literature (LaChapelle & Barnes, 1998; Bammens et al., 2011; Michel & Kammerlander, 2015). The evidence from the two cases lends some empirical support to the conceptual paper by Michel and Kammerlander (2015) with its contention that the trusted advisor can reduce conflicts and moderate parties' divergent goals, and consequently contribute positively to the succession planning process. However, it is notable that in the case with the highest levels of intra-family conflict, FuelCo, the external advisors did not play a role in working to mediate or improve family relations (see section 6.4.4).

A further element of the external actors' role identified in a minority of the cases was supporting the personal development of the successors. This was mentioned by family members in LuxJewel and HotelBiz, indicating the particularly wide-ranging and multidimensional roles the external advisors had in these two cases. A recent study that addresses this neglected area is Salvato and Corbetta's (2013) examination of the role that non-family professional advisors can play in developing and establishing the leadership of successors. While helpful, Salvato and Corbetta's (2013) study concerns only one dimension of the social process of succession with its focus on professional advisors and successor leadership capability construction. The present study makes a contribution by providing further evidence on the leadership development role of advisors in supporting FBS and, furthermore, by exploring the broader roles such advisors can play throughout the process. The external consultant working with HotelBiz supported the two children to better understand their roles and the implications of becoming directors as part of the wider succession planning process. In LuxJewel the consultants' roles were more extensive, including mentoring key family members (and some senior managers) and supporting their personal development in various other ways. The role played in this regard by

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[15] Ian did become a Non-Executive on the LuxJewel board for a period but he was not in this position throughout his time working with and advising the firm.

Ian – consultant/NEBM had some similarities with the externals' roles identified by Salvato and Corbetta (2013) but also differed. He acted as a mentor, set up mentoring arrangements with other external individuals, led specific interventions to develop successors' capabilities, and devised and ensured the implementation of the future MD's formal 'accelerated development plan'. As mentioned earlier, there was also a mentoring aspect to the advisory relationships in the FuelCo case. The identification of the mentoring element of the external actors' role is a useful insight given that hitherto there has been little research on the issue. Ip and Jacobs (2006) identify successor mentoring as an essential element for a successful transition, however, despite being a common recommendation in the consultancy literature, there remains a paucity of research on mentoring in the FB setting (Boyd et al., 1999; Strike, 2012; Distelberg & Schwarz, 2015).

A final function of the external actors in the LuxJewel case merits mention because it only appeared in this case but would seem to potentially be an important component of a successful transition process. This was the emphasis on the involvement of the non-family managers. The advisors ensured dialogue across the family – non-family boundaries throughout the organisational change and succession process. Barnes and Hershon's (1976) early consultancy oriented article highlighted the role outsiders can sometimes play in opening dialogues across the different perspectives of family managers, relatives, employees and outsiders to aid successful transitions. However, there appears to be an absence of any subsequent academic studies looking at the role of advisors in relation to the family - non-family dimension of succession.

The discussion on the functions fulfilled by external network ties in the FBS processes shows the possible multidimensionality and complexity of such roles. The analysis extends the limited literature on FB advising (Michel & Kammerlander, 2015) and provides new insights on the potential roles of external actors in FB transitions. The discussion indicates the potential usefulness of external individuals to family members in helping to plan for and implement intergenerational transitions, something which has been neglected in research to date. The level of utility is reinforced by the tangible impacts the resources accessed through and from external network ties had on the respective succession processes. These impacts are summarised in Table 9.4.

Distinguishing between the resources provided by the external ties and their impacts on the succession processes is not straightforward given that the influence of the outsiders could be subtle and multidimensional. Table 9.4 illustrates where it was identified that the external ties had a specific tangible impact on how the succession unfolded and identifies three common themes across the cases.

Table 9.4: External tie impacts on succession processes

Common themes	Tangible impacts of external network ties on succession processes
Clarifying scope & dimensions of succession & firming up principles	Star-Textile: Clarification that ownership and future transfer of control separate issues & firmed up commitment to principle of meritocracy LuxJewel: Persuaded incumbent of need to view succession as part of wider programme of organisational change FuelCo: Academic course created focus on clarifying the family-business interface ClothCo: Convinced of need to treat offspring equally in terms of shares but one to have control – basis for succession plan
Role in establishment of structures / processes to support succession	Star-Textile: Establishment of structures to manage relationship with and between shareholders in next generation LuxJewel: Drove implementation of wide-ranging structural and relational changes to support transition and development of the business FuelCo: Advisor influence on proportional allocation of shareholding HotelBiz: Formalisation of principles, structures & documentation based on inclusive discussion PrintBiz: Impetus to putting in place shareholders' agreement
Impetus for/facilitating entry/integration of next generation	Star-Textile: Initiation of process to bring next generation into FB FuelCo: Confidante role in facilitating return of main successor to the business HotelBiz: Assisted smooth entry of successor into business & assisted successor reach decision to enter FB

The overview presented in Table 9.4 suggests the varied and significant effects external individuals can have on FBS processes. Existing studies of external network tie impact have not considered the FBS setting; it has been

entrepreneurial research in particular where network ties have been identified to be important in firm emergence and growth (Hite, 2003).

9.1.7 FBS and its multiple stakeholders: section summary

The discussion in section 9.1 has analysed the findings across the case studies to explore the multi-phased, multidimensional and multiple stakeholder nature of FBS processes. Observations were made on the need to recognise the temporal complexity of FBS, the importance of successor legitimacy, and the role of gender in shaping the experience of female family members who are not main successors. The argument was made that, rather than simply accepting that FBs have a strong internal orientation based on a desire to protect their privacy, a more nuanced understanding of FB attitudes towards external input is necessary. The critically important and varied roles that a wide range of external individuals can play in supporting transitions were explored, along with the possible impacts these can have on the shape and experience of FBS. Contributions to the FBS literature have been identified. The analysis extends the study by Salvato and Corbetta (2013) with its call for a more nuanced view of succession as a social process through demonstrating that it is not just the successor leadership dimension which needs to be understood as being gradually constructed through the contribution of a broad group of actors within and outside the FB. The limited literature on FB advising is extended. Recent work by Strike (2013) is complemented and developed through considering how a range of external actors (not just 'most trusted advisors' with legal/accountancy backgrounds) can play an influential role in FBs and by examining this issue in the context of a specific FB process – succession. The next section considers the origins and nature of the relationships between the family members and external actors in more detail through the conceptual frame of embeddedness.

9.2 Network tie content and trust

Through examining how family members understood and used external network ties in managing succession this study seeks to extend theoretical understanding of the concept of relational embeddedness. This includes unpacking the complex dimensions of network tie content and, thereby, elucidate *how* networks of social relations can shape action in a particular context. Three aspects of the network ties are considered as a means of investigating their

content: the initiation phase, the resources flowing across ties, and the nature of the relationships over time. In so doing two particular theoretical issues emerged: the overlooked complexity in the notion of tie strength and trust as a dimension of relationally embedded ties.

9.2.1   Cross-boundary relationship initiation phase

Consideration was given to how family members went about identifying and bringing in external individuals to support their respective succession processes. Table 9.5 summarises the paths followed by family members in making connections with the key external individuals. This is followed by discussion on the possible factors to explain why the family members turned to these particular external actors.

Table 9.5: How family members made connections with external actors

How family member made connection with external actor	FB-external tie connections that exhibited these characteristics	Relevant concepts/debates in the literature
A. **Looked beyond existing network to identify a new source of external input; externals had credibility based on track record**	FuelCo: Ken3 – DC&ED enrolled on Business School FB course PrintBiz: Steve3 – MD attended (and convinced his uncle to attend) a FBS planning course run by regional development agency	Developing new contact through means other than drawing on existing ties Types of trust in explaining choice and development of new contact
B. **Turned to pre-existing close and/or enduring relationship**	Star-Textile: turned to friend/mentor. CoffeeCo: Ryan4 – MD turned to longstanding personal friend who was in similar position re. entering his FB. Also sought input from firm that had provided accountancy services to CoffeeCo for many years and to longstanding suppliers.	Varying level of tie strength Trust bases
C. **Drew on an existing tie to extend network. No close personal relationship with the tie but respected him/her and thus valued the recommendation. External actor had credibility based on track record and expertise**	LuxJewel: • Eric2 – EC introduction to Harry (external accountant) through an individual in Vistage. • Eric's introduction to Ian – consultant/NEBM through contact in another FB with whom he had done philanthropic activity. The family member in other FB had used Ian in his FB. • Recommendations from friends in jewellery trade underpinned Eric's choice of London-based legal and accountancy firms. HotelBiz: Individual who had done marketing-related work for Norman1 – founder/MD recommended he attend succession planning course. Course was delivered by Queenie (external consultant) who Norman subsequently turned to support succession process. Note: Queenie also employed by consultancy firm which already provided other services to HotelBiz (see below). PrintBiz: Financial advisor recommended to Steve3 - MD by a PrintBiz customer who had used the advisor. Steve had also met the advisor through social network.	Bridging function of weak ties and what is meant by 'weak tie' Role of the tie (even as a 'weak' tie) as third party/'go between' equipping the new relationships with resources from pre-existing ties. Trust bases
D. **Drew on existing close/enduring tie to extend network. External actor had credibility based on track record and expertise**	Star-Textile: Turned to firm that provided their audit services. Consultant engaged was FB specialist. LuxJewel: Eric2 -EC and Gina3 – Mktg Dir introduced to Jake (external mentor) through Ian once he had been working with the firm for some time. FuelCo: Ken3 and his father sought recommendation from existing close advisor and Non-Executive for a solicitor specialising in FB matters. FuelCo father/incumbent sought recommendation from his cousin for another solicitor. HotelBiz: FBS advice sought from consultancy firm already providing their auditing/taxation services ClothCo: Tim3 - MD introduced to advisor by his wife who had been friends with the advisor at university.	Bridging function of strong ties and what is meant by 'strong tie' – ties varying levels of strength Role of tie as third party/'go between' Trust bases

Considering first path 'A' in Table 9.5, it is notable that in only two instances did family members look totally beyond their existing networks as a means to identify suitable external individuals to assist them manage the succession processes. In both cases it was to educational courses – one provided by a business school and another of a much more focused nature provided by the local regional development agency. Furthermore, these courses were as a complement to other connections made through their existing networks. This suggests a preference among the case study firms for drawing on existing network ties when looking to identify and bring in outsiders into the private and sensitive sphere of FBS.

In two of the firms family members drew directly on existing relationships with external individuals – path 'B' in Table 9.5. Adam2 – Chairman (Star-Textile) sought the advice of the friend/mentor with whom he and his brothers had developed a close relationship over a number of years. In CoffeeCo Ryan4 - MD also turned to a longstanding friend, as well as accountants and suppliers with whom he had long-term relationships. It is perhaps unsurprising that these family members turned to what are termed strong ties, characterised in the literature as reciprocal relationships with a high level of personal interaction and relational trust. These strong ties, it is argued, are more easily available and provide quick information flow, social support, and are a reliable resource (Granovetter, 1973; Rowley et al., 2000; BarNir & Smith, 2002; Hite, 2003; Anderson et al., 2005). In the context of FBS it seems that where such ties existed and the family members felt they could offer the type of support necessary it was preferable to turn to them in relation to the sensitive matter of succession. However, not all the ties identified in path 'B' were uniformly 'strong'. This notion is considered in section 9.2.3 exploring the nature of the cross-boundary relationships in more depth. However, it is worth noting at this point that the ties between Ryan and the accountants and suppliers were not as strong as those between him and his friend. While both the former exhibited elements of strength with interaction over a sustained period of time, they did not have the emotional and reciprocal dimensions typically associated with strong ties. This suggests a need for a more nuanced understanding of what is meant by a strong tie, at least in the FBS context.

In path 'C' in Table 9.5 family members used an existing tie to extend their network to identify external individuals to assist with the succession. These instances can be understood in terms of weak ties fulfilling the type of bridging function to disparate segments of the network which may open the door to new options and novel information (Granovetter, 1973; Elfring & Hulsink, 2003; Hite, 2003). However, there is a need in this context to scrutinise the term 'weak tie' more closely. While the family members did not have close personal relationships with the ties utilised in path 'C', there was still a certain level of respect and interaction with the tie to provide the necessary basis for the family member to value and accept the recommendation. Thus, for example, Eric2 – EC (LuxJewel) respected and had fairly frequent interaction with the Vistage members from whom he got the recommendation for the external accountant (Harry). While caution is needed to avoid over-interpreting the connections in path 'C' there is a suggestion from the data that simply labelling them as 'weak' is an oversimplification. Indeed, they seemed to be strong enough to fulfil the function outlined by Granovetter (1985:490): 'Better than the statement that someone is known to be reliable is information from a trusted informant that he has dealt with that individual and found him so'. Similarly, the ties drawn upon in the path 'D' instances were not uniform in their strength. For example, the relationship between Eric and Ian – consultant/NEBM (who provided the link to Jake – external mentor) was different in nature to that between Norman and the firm who provided HotelBiz's accountancy services (which provided the link to Queenie - external consultant), yet both could be described as strong in that they involved a level of closeness, developed over time and involving repeated interactions. Again this suggests a need to question the conventional dichotomous strong/weak tie conceptualisation, at least as it might apply to the FBS context.

In path 'D' in Table 9.5 family members drew on existing strong ties to make a connection to external individuals deemed suitable to assist them manage their respective transition processes. In these instances it is noteworthy that, although being strong in nature, the ties performed a bridging function putting the family members in touch with new information and contacts. This is a role usually associated with weak ties on the basis that while information gained through strong ties will tend to be accurate and trustworthy, it may be of limited use

since strong tie actors can be anticipated to move in similar, if not the same, social circles (Granovetter, 1973; Anderson et al., 2005; Jack, 2005; Bagwell, 2008; Kontinen & Ojala, 2011). Therefore, in the FBS context the assumptions in the literature around only weak ties performing effective bridging functions to novel and heterogeneous information need to be questioned. In this regard the findings lend support to Jack (2005) in her largely isolated study in the entrepreneurial context where strong ties performed a bridging function to new and diverse resources. Arguably the strong relationship with the tie performing the bridging function was necessary for the recommendation to be accepted and trusted by the family members.

9.2.1.1 Role of third parties in making connections

The discussion highlights the important role played by the connecting ties. There are parallels with the entrepreneurship-focused studies of Uzzi (1996) and Jonsson (2015) where third parties were found to act as important go-betweens in new relationships enabling individuals to roll over their expectations from well-established relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust and subsequent commitments to be offered and discharged (Uzzi, 1997; Kramer, 1999). Similarly, Ferrin et al. (2006) stressed the role of 'trust transferability' from third parties in influencing formation of interpersonal trust in intra-organisational relationships. It would appear that the third party referral role is particularly relevant in the way external actors are identified in the inherently private and sensitive FBS context, indicating the importance of appreciating the social context of FBS and how being embedded in a network of relationships shapes trust development in this setting.

9.2.1.2 Role of trust in the inclusion of external individuals

This mention of the term trust reflects a theme that emerged as central in understanding the cross-boundary relationships involved in FBS. This section examines the role of trust in the connecting process of how the family members identified and brought in external individuals to support their respective successions and the underpinning rationale for these decisions. The literature on trust provides a hitherto underexplored lens through which to better understand the content of network ties and relational embeddedness.

Turning back to the path 'A' examples from Table 9.5, Ken's identification of and participation in the business school course can, at least partially, be interpreted in terms of types of trust. As a renowned school with a proven track record there was a degree of institutional-based trust (Zucker, 1986; Dietz et al., 2010). Ken also quickly established sufficient KBT (Lewicki & Bunker, 1996) with the lecturers and, to some extent, his peers during the course to derive value from their input. Similarly, the track record and public standing of the regional development agency and the individual delivering the course (a well-known accountant specialising in FB) provided Steve, PrintBiz MD, with an adequate level of institutional-based trust grounded in shared understandings regarding the system and appropriate behaviour (Kramer, 1999).

Where family members turned to existing strong ties to assist them plan and manage the succession process (path 'B' in Table 9.5), the concept of trust can help explain the reasoning for drawing on these particular ties. The relationship with the friend/mentor in the Star-Textile case appears to have developed along the trajectory posited by Lewicki and Bunker (1996) from CBT to KBT and then an IBT and on this basis the brothers felt comfortable turning to him for advice on a matter as important and sensitive as succession. Ryan's (CoffeeCo MD) decision to confide in his longstanding friend about succession-related issues exhibited similar characteristics. This was a tie characterised by IBT (Lewicki & Bunker, 1996) or relational trust (Rousseau et al., 1998) grounded in social interactions and reciprocated interpersonal care and concern. In contrast, while longstanding, his ties with the accountants and suppliers cannot be interpreted as extending beyond KBT (Lewicki & Bunker, 1996). Nevertheless, this was enough for Ryan to recognise their expertise, experience and sound intentions and on this basis discuss, at least to some extent, the delicate matter of entering the FB.

Where the family members drew on existing 'weak' network ties (path 'C' in Table 9.5) to identify external actors, the concept of trust again illuminates the decision-making processes. For example, Eric2 – EC made the connection with Ian – consultant/NEBM through an individual he knew in another successful FB who had used Ian's services. Eric knew this FB member through their mutual philanthropic work. Arguably it was the personal recommendation combined with aspects of institutional-based trust (Zucker, 1986) that enabled the

establishment of this ultimately very important network tie. Eric could have some basis for expecting that the consultant would behave in an anticipatable way that would be helpful to him and the business (Kramer, 1999). This type of trust was reinforced by Eric respecting the individual making the connection and his recognition that this individual's FB had derived value from using the consultant over a sustained period. Thus there was an expectation that the consultant would have the requisite skills, experience and discretion to fulfil the needs Eric believed LuxJewel had. As discussed above, this points to the importance of third parties in creating expectations of trust between newly introduced actors (Jonsson, 2015).

In HotelBiz where a family member drew on an existing 'strong' tie to identify a suitable external actor to involve in the transition process (path 'D' in Table 9.5), trust factors were again discernible. Norman1 – founder/MD was already working with another part of Queenie's (external consultant) firm on accountancy matters so there was an element of him being able to 'roll over' his expectations from a well-established relationship to Queenie about whom he did not yet have sufficient knowledge (Uzzi, 1997; Kramer, 1999). There was an important background of KBT (Lewicki & Bunker, 1996) developed through repeated interactions over time. This augmented the type of institutional-based trust which enabled Norman to expect that the consultant would behave in an anticipatable way beneficial to his business. A deeper type of trust that complemented the institutional-based and KBT influences was evident in the way that Jake (external mentor) was brought into LuxJewel to act as a mentor to the incumbent's daughter and non-family managers. It was Ian - external consultant/NEBM who made this connection and by this stage he had formed a close relationship with Eric – EC characterised by IBT (Lewicki & Bunker, 1996). Thus Eric could be confident that Ian fully understood his intentions and would protect his interests and thus welcomed Jake into the delicate process of progressing the LuxJewel transition.

The case studies suggest that the way family members draw on their networks to involve outsiders in the succession process trust is a central factor in determining who is brought in and to what extent their input is embraced. This may be due, at least in part, to the prominent and distinctive trust dynamics operating in many FB contexts. As noted in the literature review, long-term and

strong family bonds are often characterised as being grounded in trust and are believed to facilitate the transfer of tacit knowledge between family members and generations (Steier, 2001; Eddleston et al., 2010). Sundaramurthy (2008) contends that rather than an evolution from CBT through KBT and then IBT trust that might be the case in a non-family firm setting, in a FB the trajectory starts from a basis of deep interpersonal trust between family members grounded in kinship, common values, shared history, and extended periods of interaction. The identification of trust as a catalyst in the emergence of family-external relationships relating to succession contributes to better understanding the dynamics and multidimensionality of the notion of trust in FBs. This is helpful given the continued lack of knowledge about the role of trust in entrepreneurial FBs (Shi et al., 2015).

The particular and careful selection of network ties to support the transition processes suggests the importance of considering the content of network ties (relational embeddedness) to understand FBS processes. In the main it was interpersonal relations and the nature of network ties, rather than network structure (Granovetter, 1985) that influenced who was brought into the succession process. This differs from the dominant focus in the entrepreneurship literature on the structural aspects of embeddedness (Dacin et al., 1999; O'Donnell et al., 2001; Jack, 2010).

9.2.2 Cross-boundary relationship resource flows

To build on the exploration of the initiation phase of the FB-external relationships the following section considers the resources provided by these ties as a means to shed further light on the nature of network ties. The literature review identified work by Jack et al. (2004) and Hite et al. (2005) which considers tie content from the perspective of the resources that flow across the ties (see section 2.2.7.3). The notion that tie content can be understood, at least in part, by what flows across the ties – in effect the function and utility of the ties - is an interesting approach and therefore section 9.1.6 discussed the multiple resources provided by the external stakeholders involved in the FBS processes studied. To provide a more nuanced understanding of network tie content, the earlier discussion is developed here along more theoretical lines.

The functions fulfilled by the external stakeholders in the case studies[16] can be aggregated and categorised into four 'flows': advisory, catalytic, validatory, and capacity development, as summarised in Figure 9.2:

Figure 9.2: Resources provided by external stakeholders: thematic flows between ties
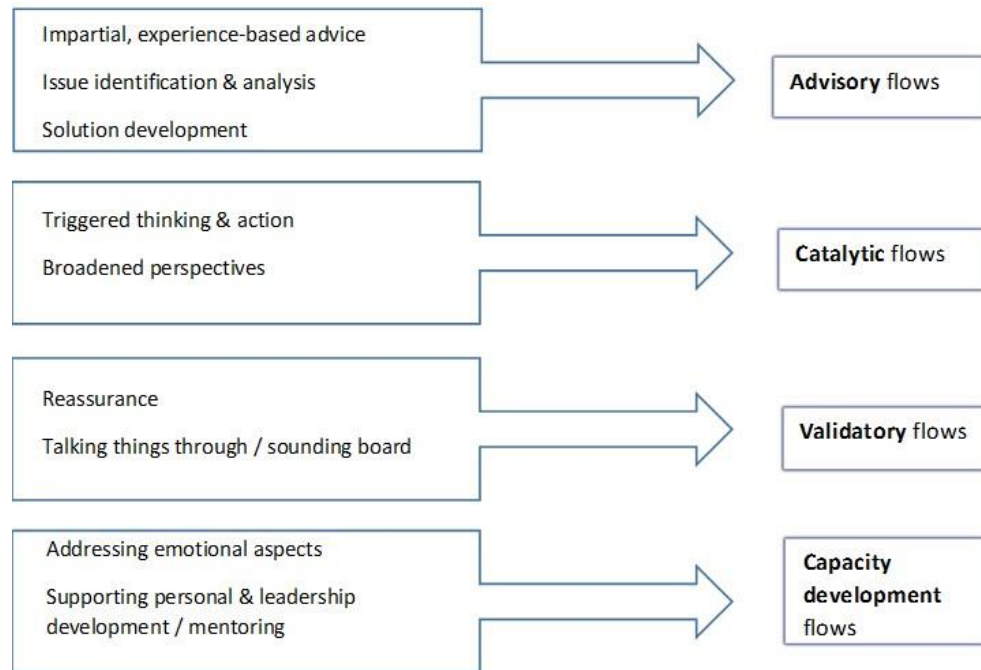
The resources within the advisory flow are typical of the type of functions that can be fulfilled by advisors to family (and non-family) businesses. The catalytic flow refers to how the external actors in the case studies acted to catalyse family members' thinking about succession and the need to proactively address the matter in all its complexity. This is followed by the notion of a validatory flow across the family member-external actor ties. Several of the external ties fulfilled an important role in reassuring family members and validating their succession-related actions to date. This was coupled with some ties acting as valuable sounding boards where family members could discuss, test and validate their ideas about succession planning and implementation. A final aspect is termed capacity development flow, reflecting the role of some of the external actors in helping family members develop the necessary emotional and leadership capacity to manage the transition and successfully fulfil their new positions. This notion of tie function and resource flows helps shed light on the

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[16] See Table 9.3 for a list of resources provided by external stakeholders across the case study firms

content of network ties – what is going on within and between network ties (Jack et al., 2004) - in the FBS context. It is a dimension of relational embeddedness which has been understudied and therefore makes a contribution to extending our theoretical understanding of the concept.

Considering the flow of resources across the cross-boundary ties involved in the succession processes again raised the issue of the nature of strong ties. It was some of the strongest ties that provided the greatest breadth of resources to the family members in the cases studied. For example, Ian – consultant/NEBM had a close relationship with all the family members and fulfilled multiple roles across all four resource flow categories to support the LuxJewel transition. The external consultant closely involved in the HotelBiz succession planning process, Queenie, provided a similar range of heterogeneous resources to the family members. This is inconsistent with Granovetter's (1973) contention that strong ties tend to provide homogenous resources, a position that has been widely repeated in the literature. This lends further support to the need for a re-conceptualisation of the dichotomous notion of strong/weak ties, at least in the FBS context. In so doing it provides impetus from a different context to the calls by Jack et al. (2004) based on their study of entrepreneurs for a rethinking of the strong tie conceptualisation.

9.2.3   Nature of cross-boundary relationships

Having considered the initiation phase and the resources flowing across the cross-boundary ties as ways to unpack the dimensions of network tie content, the following section focuses on the nature of the cross-boundary relationships. Chapters 4-8 provided detail on the relationships with the external individuals identified by family members as having been influential in their respective successions. This section looks at the commonalities and differences across the cases as a basis for identifying the key components of network tie content[17] in the FBS context and proposing a conceptual model (Figure 9.3). As a starting point Table 9.6 provides a summary of the key characteristics of the external ties that emerged. This is followed by discussion on the various facets.

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[17] See section 2.2.7.3 for discussion on what is meant by network tie content

Table 9.6: External network tie key characteristics

Tie no.	External individuals with whom family member(s) had relationship	Resource flows across tie	Relationship with more than one family member?	Deep understanding of family & firm & commitment to their success	Respect basis (for externals' objectivity, expertise & experience)	Personal dimension? E.g. friendship, affect	High frequency & long duration?	Trust basis
	StarTextile:							
1	**Consultant**	Advisory Catalytic Validatory	Met with Adam2 – Chairman and his brothers but not close relationship	Limited understanding of family & business dynamics	Yes	No – procurement of professional services for time-limited period	Infrequent & relatively short duration	Institutional-based & 'roll over' from 3rd party intro > KBT
2	**Friend/ mentor**	Advisory Catalytic Validatory	Yes - with Adam and his brothers	Yes	Yes	Yes	Intermittent contact over c.15 years	Institutional-based > KBT > IBT/relational
	LuxJewel:							
3	**Harry (external accountant)**	Advisory Capacity dev.	Yes – with Eric2 – EC, Fred3 – MD & Gina3 – Mktg Dir; esp. with Eric	Yes	Yes	Yes	Yes	Institutional-based & 'roll over' from 3rd party intro > KBT > IBT/ relational
4	**Ian (consultant/ NEBM)**	Advisory Catalytic Validatory Capacity dev.	Yes – with Eric2 – EC, Fred3 – MD & Gina3 – Mktg Dir; esp. with Eric	Yes	Yes	Yes	Frequent contact initially but then latent	Institutional-based & 'roll over' from 3rd party intro > KBT> IBT/relational
5	**Jake (external mentor)**	Advisory Validatory Capacity dev.	No – primarily with Gina3 – Mktg Dir	Yes	Yes	Yes	Frequent contact initially but then latent	Institutional-based & 'roll over' from 3rd party intro > KBT > elements of relational trust
	FuelCo							
6	**Tax advisor**	Advisory	Yes – with Ken3 – DC&ED and father/ incumbent	Yes	Yes	Yes – to a certain extent	Yes	Institutional-based & 'roll over' from 3rd party intro > KBT
7	**Non-Executive / executor – financial**	Advisory Validatory	Yes – with Ken3 – DC&ED and esp. father/ incumbent	Yes	Yes	Yes	Yes	Institutional-based & 'roll over' from 3rd party intro > KBT> IBT/relational
8	**Non-Executive / executor – legal**	Advisory Validatory	Yes – with Ken3 – DC&ED and esp. father/ incumbent	Yes	Yes	Yes	Yes	Institutional-based & 'roll over' from 3rd party intro > KBT> IBT/relational

Tie no.	External individuals with whom family member(s) had relationship	Resource flows across tie	Relationship with more than one family member?	Deep understanding of family & firm & commitment to their success	Respect basis (for externals' objectivity, expertise & experience)	Personal dimension? E.g. friendship, affect	High frequency & long duration?	Trust basis
9	Mary - PA/confidante to father/ incumbent	Advisory Catalytic Validatory	Yes – with father/ incumbent, Ken3 – DC&ED and Linda3 – shareholder	Yes	Yes – respect for integrity, discretion, caring nature etc.	Yes	Yes	KBT> IBT/relational
	HotelBiz							
10	Queenie (external consultant)	Advisory Catalytic Validatory Capacity dev.	Yes – with all family members	Yes	Yes	Yes – to a certain extent	Frequent contact initially then latent	Institutional-based & 'roll over' from 3rd party intro > KBT > elements of relational trust
	CoffeeCo							
11	Longstanding friend in another FB	Advisory Catalytic Validatory	No – only with Ryan4 - MD	Yes	Yes	Yes	Long duration but intermittent contact	Element of 'roll over' > KBT> IBT/relational
12	Accountants	Advisory Validatory	Had relationship with 3rd gen Chairman as well as Ryan	Adequate understanding but no additional discretionary effort or genuine commitment to success of family/firm	Yes	No	Long duration but intermittent contact	Institutional-based & 'roll over' from 3rd party intro > KBT
13	Suppliers	Validatory	Not clear	Not clear	Yes (at least in terms of knowing market)	No	Long duration but intermittent contact	Institutional-based > KBT
	PrintBiz							
14	Financial advisor	Advisory	No – only with Steve3 - MD	Not clear	Yes	Only in sense of rapport	Infrequent & relatively short duration	Institutional-based & 'roll over' from 3rd party intro > KBT
	ClothCo							
15	Legal advisor	Advisory Catalytic Validatory	No – only with Tim3 - MD	Yes	Yes	Only in sense of rapport	Infrequent & relatively short duration	Institutional-based & 'roll over' from 3rd party intro > KBT

The resource flows column in Table 9.6 relates back to the discussion on the resources provided by the external actors (sections 9.1.6 & 9.2.2) and indicates the multifaceted utility of the ties to the family members. This dimension is incorporated as one dimension of the proposed conceptual model of network tie content (see Figure 9.3). The fourth column in Table 9.6 captures whether the external individual had a relationship with more than one member of the family. It is noteworthy that in two-thirds of the ties, while the external actor might have had a particularly close relationship with one family member, he/she also had a relationship with other family members. It was those ties which were the strongest[18] where the external individual had connections with multiple members of the respective families. This finding supports Strike's (2013) argument that FB advisors are required to gain the attention of not only the CEO but also other family members in order to gain the right to be heard. A relationship with more than one family member can therefore be considered a potential key feature and signifier of depth of connection in terms of external network ties in the FBS context and therefore is included in the proposed conceptual model at Figure 9.3.

Continuing across the columns in Table 9.6 the next deals with whether the external individuals had a nuanced understanding of the dynamics, personalities and culture of the family and FB and were committed to their success. Eleven of the fifteen external actors were considered to have this depth of understanding. This aligns with Strike's (2013) notion that FB 'most trusted advisors' need to be 'meaningfully engaged' through showing a personal interest in the family, having a desire to help the family succeed, and caring about the family and the firm. For example, in the FuelCo case both Ken3 – DC&ED and Linda3 – shareholder emphasised how the tax advisor (tie no. 6 in Table 9.6) understood the complex dynamics of the family and the business and was personally committed to doing his utmost to achieve the best outcomes for them and that these were important elements of the relationship. The four instances which exhibited a limited understanding of the family/firm or where the level of understanding/commitment was unclear were among the weaker ties (nos. 1, 12, 13 and 14 in Table 9.6). A 'meaningful engagement' in Strike's (2013)

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[18] The notion of tie strength is discussed in more detail later in this section

terminology can therefore be considered an important feature of strong and influential network ties in the FBS context and thus is included in the conceptual model of external tie content presented at Figure 9.3.

However, it is worth noting that an external individual could still contribute to the succession process even if he/she were operating from a more arm's length position. For example, Adam, Star-Textile Chairman, drew on advice from the external consultant (tie no. 1 in Table 9.6) and his input had a tangible impact on the shape of the succession, despite the fact that he did not have a deep understanding of the family/firm. Thus, while Strike (2013) appears to be correct that depth of understanding is a prerequisite to become a FB 'most trusted advisor', it is possible that advisors can operate from other levels of engagement to support FBs in terms of FBS. Nevertheless, it was those advisors who had a deeper relationship and level of commitment to the family's long-term success who were the most influential in the cases studied.

A feature that was identified across all the external ties listed in Table 9.6 was that they were characterised by a basis of respect. Each of the external individuals had credibility in the eyes of the family members with whom they were working. Strike (2013) emphasises the importance of advisor credibility based on expertise, skills and experience of working with other FBs. This dimension was discernible in all of the cases and thus complements Strike's research. For example, Pippa2 – Marketing Director noted the importance of Queenie's experience as well as the expertise that she brought to the process, while Tim3 – ClothCo MD held his advisor in high regard based on her record advising other high net worth individuals. It is worth noting, however, the one instance which diverged from this pattern where the basis for a deep sense of mutual respect was different. Mary – PA/confidante had a distinctive and arguably unusual relationship with the FuelCo father/incumbent in terms of external individuals involved in FBS processes. Her credibility was based on longstanding personal care and concern, integrity, and discretion, rather than any professional expertise and experience working with other FBs. While acknowledging that this interviewee appears to be unusual in terms of FB advisors, it suggests that some caution is needed in accepting Strike's (2013) argument that trusted advisors must have prior FB experience and breadth of knowledge in order to earn the right to be heard by family members. Allowing

for some variation in its basis, it appears that respect is a critical foundational component of network tie content in the FBS context and therefore is included as an underpinning dimension in the conceptual model at Figure 9.3.

As well as respect the notion of a personal dimension emerged as a feature of majority of the external ties. This presents an interesting facet given that the personal component of relationally embedded ties has received little attention in the literature. There is some incorporation of the personal dimension in the way Lowik et al. (2015) seek to operationalise the notion of tie emotional intensity by asking respondents to classify ties as either a business acquaintance, business friend, or a personal friend. This is partially based on Granovetter's (1973) widely adopted conceptualisation of tie strength as involving dimensions of emotional intensity and intimacy (mutual confiding). Hite (2003) provides a more detailed exploration in her proposed typology of relational embeddedness wherein the personal relationship is identified as one of the overarching components of entrepreneurial network ties. As summarised in Table 9.7 she identifies three personal relationship attributes exhibited by the network ties in her sample:

Table 9.7: Personal relationship attributes of embedded network ties (Adapted from Hite, 2003, p25)

Personal relationship attribute	Definition
Personal knowledge	The extent to which the dyadic partners are aware of each other's personal needs and interests
Affect	The extent to which emotion and feeling are integral parts of both business and non-business interactions
Sociality	The degree to which the dyadic economic interaction takes on a social and personal nature

A personal dimension was discerned in ten of the fifteen ties listed in Table 9.6. Hite's typology was used as an initial means to try to disaggregate the elements of the personal dimension, as summarised in Table 9.8 below:

Table 9.8: Personal relationship attributes exhibited by ties based on Hite's (2003) typology	
Relationship attributes exhibited based on Hite (2003)	**Ties exhibiting these attributes (Nos. refer to the tie nos. given in Table 9.6)**
Personal knowledge + Affect + sociality	No. 3 (LuxJewel - Harry – external accountant) No. 4 (LuxJewel – Ian – external consultant/NEBM) No. 11 (CoffeeCo – friend in another FB)
Personal knowledge + Affect	No. 2 (Star-Textile – friend/mentor) No. 5 (LuxJewel – Jake - external mentor) No. 7 (Fuel Co – Non-Executive/executor – financial) No. 8 (Fuel Co – Non-Executive/executor – legal) No. 9 (FuelCo – Mary – PA/confidante to father/incumbent)
Personal knowledge	No. 6 (FuelCo – tax advisor) No. 10 (HotelBiz – Queenie – external consultant)

The relationships between Adam and his brothers and the friend/mentor (tie no. 2) and that between Mary and the father/incumbent (tie no. 9) were both described by the family members interviewed as particularly close in nature. However, neither involved an element of sociality as articulated by Hite (2003). Furthermore, Hite's (2003) definition of affect emphasises emotion but this was not really a feature of ties no. 2, 5, 7 and 8, even though they have been included in this classification in Table 9.8. Rather there was an affective dimension to these ties in terms of the partners liking each other and forming a friendship. The relationship between the HotelBiz family members and Queenie was influential with a personal connection and rapport between the participants. However, it aligns with only one of Hite's three personal relationship attributes (personal knowledge). Interestingly, the relationships between Steve (PrintBiz MD) and the financial advisor and that between Tim (ClothCo MD) and the legal advisor were weaker in nature, however, they also exhibited a personal dimension in terms of rapport between the participants. These observations suggest that Hite's (2003) typology has limited applicability in terms of illuminating the nature of the personal dimension of network ties in this study. This is consistent with the difficulty faced by previous scholars in trying to adequately describe and measure the non-quantitative aspects of network tie content (Mitchell, 1969; Jack, 2005). Drawing on Hite's (2003) model an

alternative typology of the personal dimension of the external ties studied is advanced in Table 9.9 and this is included as a dimension of the external tie content conceptual model presented at Figure 9.3. Three components are suggested which can be overlapping and mutually reinforcing and which, it is argued, must all appear to some extent for the tie to be considered to have a significant personal dimension.

Table 9.9: Proposed typology for external tie personal dimension	
Personal relationship component	**Definition**
Personal friendship	Personal knowledge (partners understand each other's personal needs and interests) AND/OR Affect (care and concern feature as part of interactions)
Values congruence	Shared personal values/principles
Trust-based relationship	Willingness to be vulnerable to the other party, perceptions that the party will behave in a way that is expected and benevolent, and notions of reciprocity (Rousseau et al., 1998; Welter, 2012)

The notion of shared values was seen across all the external ties considered to be stronger in nature. Here family members felt that the external individuals understood and shared their ways of thinking in relation to the family and the business. It is perhaps understandable that congruence of values and outlook emerged as a key feature of the closer and most influential external network ties given the private, sensitive and critical nature of intergenerational succession. Arguably family members needed to feel completely comfortable and aligned with the outsider whom they had decided to allow into the delicate succession process. There is consistency with Jonsson's (2015) findings in the entrepreneurship context that shared cognitive attributes were vitally important in entrepreneurs' network evolution in the start-up phase. She points to the need for 'cognitive match' for the emergence of embedded relationships (Jonsson, 2015: 213). LuxJewel provided a rich example of the role of shared values in the cross-boundary tie, as well as the other aspects of the proposed personal dimension typology. Here the relationship between Eric2 - EC and Ian - external consultant/NEBM developed into a close friendship with a mutual sense of care and a shared sense of values (see section 5.4.5). Critically, there was a deep bond of trust between the two individuals. Ian emphasised the building of trust with both the family members and the non-family managers as the basis for

achieving successful organisational change and enabling the succession process. A full discussion on trust as a central component of network tie content in the FBS context is provided in section 9.2.4.

Before turning to this, it is necessary to consider the penultimate column in Table 9.6 which looks at the duration and frequency of interaction with the external ties. As outlined in Chapter 2, while Granovetter (1973:1361) describes tie strength as: '…a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterise the tie', it has been the frequency of contact dimension that has most commonly been used as the measure of tie strength in entrepreneurship research (Lawler & Yoon, 1998; Rowley et al., 2000; BarNir & Smith, 2002; Jack, 2005). However, there have been some indications in entrepreneurship research that there is a need to move away from the notion that strong ties involve frequent and prolonged contact between the parties. Jack (2005) has been the main voice in this regard; her qualitative ethnographic study finds that when developing a relationship it is the function of a tie and how it can be utilised that is important, rather than frequency of contact, with bonds being strong enough to deal with infrequent contact. The FBS case studies provided interesting data on this aspect of tie content as summarised in Table 9.10:

Table 9.10: External tie frequency and duration dimensions

Frequency & duration characteristics	Ties that exhibited these features (Nos. refer to the tie nos. given in Table 9.6)
Ties considered to be stronger	
High frequency & long duration	No. 3 (LuxJewel - Harry – external accountant) No. 6 (FuelCo – tax advisor) No. 7 (Fuel Co – Non-Executive/executor – financial) No. 8 (Fuel Co – Non-Executive/executor – legal) No. 9 (FuelCo – Mary – PA/confidante to father/incumbent)
Initially frequent & then latent	No. 4 (LuxJewel – Ian – external consultant/NEBM) No. 5 (LuxJewel – Jake - external mentor) No. 10 (HotelBiz – Queenie – external consultant)
Infrequent but long duration	No. 2 (Star-Textile – friend/mentor) No. 11 (CoffeeCo – friend in another FB)
Ties considered to be weaker	
Infrequent & short duration	No. 1 (Star-Textile – external consultant) No. 14 (PrintBiz – financial advisor) No. 15 (ClothCo – legal advisor)
Infrequent & long duration	No. 12 (CoffeeCo – accountants) No. 13 (CoffeeCo – suppliers)

Table 9.10 indicates the complexity of the picture in terms of the frequency of interaction between the family members and the external contacts and the length of time these relationships lasted. The five ties listed as 'high frequency and long duration' align with the emphasis in the literature that strong ties involve these two characteristics. However, it is notable that three other close ties were found to involve initially frequent contact but then develop on to a basis where they could be called upon by the family as and when necessary. These have been termed 'latent' in line with Jack's (2005) study in the entrepreneurship field where strong ties could remain dormant and only be activated when needed. Interestingly, the ties listed in the third row (nos. 2 and 11) did not require an initial period of frequent interaction to develop depth but rather were characterised by intermittent contact over a long period of time. Ties numbers 1, 14 and 15 align with the literature in that they were weaker in nature and involved infrequent interaction over a relatively short period of time. However,

the final row suggests though that this is not necessarily a feature of all weaker ties with the relationships between the CoffeeCo MD and the firm's accountants and suppliers involving only infrequent contact but continuing over a long period of time. This discussion indicates that frequency of interaction and duration are insufficient criteria for classifying the strength of network ties in the FBS context. The variety within this dimension suggests that these criteria can, in fact, be misleading in some instances and mask the complexity of network tie content. Therefore, the study provides support from another business context for the work by Jack (2005) discussed above. Indeed, it could be argued that entrepreneurship scholars who have focused on measuring the frequency and duration of ties may have neglected the other important dimensions of relational embeddedness to the detriment of the body of research, presenting tie strength in overly simplistic and quantitatively-oriented terms.

Based on the exploration of the content of the external ties identified in the case studies a conceptual model for relational embeddedness in the FBS context is proposed in Figure 9.3. This reflects the dimensions discussed above which emerged from the data as key characteristics of the ties and potential signifiers of tie depth. Table 9.11 summarises the discussion to illustrate the thinking behind the development of the tie content dimensions model at Figure 9.3.

Table 9.11: Summary of discussion underpinning development of proposed tie content dimensions model

Cross-boundary relationship initiation phase (section 9.2.1)	Cross-boundary relationship resource flows (section 9.2.2)	Nature of cross-boundary relationships (section 9.2.3)
Different paths followed by family members in making connections with external actors: • New contact • Drew on existing strong and weak ties to extend network • Used existing contact Strong ties performing bridging function Varying levels of tie strength Role of trust in connecting process: • Third party 'roll over' • Institutional-based • Knowledge-based • Identification-based Importance of network tie content i.e. relational embeddedness in influencing who family members initiate/develop relationships with to support succession	Notion of understanding tie content in terms of resources flowing across ties Resource flows: Advisory Catalytic Validatory Capacity development Strong ties providing heterogeneous information and resources	Key features of tie content and potential signifiers of tie depth identified: • Relationship with more than one family member • Deep understanding of family and firm plus genuine commitment to their success • Basis of respect – foundational component • Personal dimension: friendship, values congruence & trust Mixed picture re. frequency and duration as illuminating characteristics of ties – insufficient criteria for understanding tie content and strength Trust as a central component of network tie content in the FBS context (discussed later in section 9.2.4)

The model at Figure 9.3 encapsulates the multidimensionality of the tie nature, rather than the limited notion of frequency and duration of interaction as criteria to explain what is going on within and between ties. It proposes more tangible components than the somewhat amorphous notions of emotional intensity, intimacy and reciprocity incorporated in Granovetter's (1973) conceptualisation of tie content. The model as a summary of the preceding discussion suggests the relevance of Lowik et al.'s (2015) notion of tie multiplexity – a characteristic that denotes the extent to which multiple types of relations might exist between network partners within a single relationship. While Lowik et al. use this concept to explain how small firms access new knowledge within strong ties, it appears to have relevance in elucidating relational embeddedness at the interpersonal level in the FBS context.

**Figure 9.3: FB succession external tie content model**

- Advisory
- Catalytic
- Validatory
- Capacity development

Utility: multifaceted resource flows

- Friendship
- Values congruence
- Trust-based relationship

Personal dimension

TRUST

Relationship with more than one family member

Deep understanding of & commitment to the family/firm

Foundation of respect
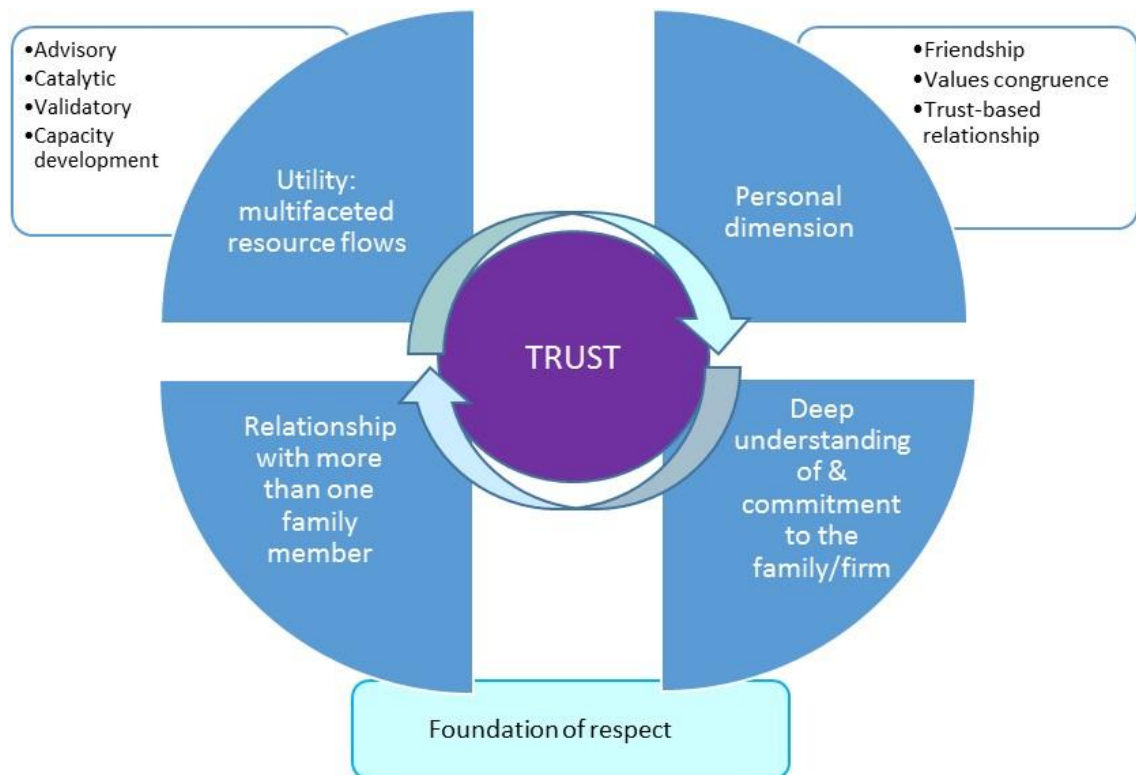
The model is based on relational embeddedness in the sample investigated in the FBS context. It potentially provides a starting point for reconsideration of the dichotomous notion of strong/weak ties which appears prominently in the entrepreneurial network literature. The need for a reconceptualisation of the Granovetterian notion of strong/weak ties has been noted several times in the preceding discussion. In the external tie initiation phase it was observed that the ties drawn upon to bring outsiders into the succession processes were not uniformly 'weak' or 'strong' in nature. Furthermore, several individuals who had close relationships with family members were seen to provide effective bridges to novel and heterogeneous resources. This lends support to a small number of studies in the entrepreneurial context where, contrary to the argument posited by Granovetter (1973) and widely adopted by other scholars, strong ties performed a bridging function to new and diverse resources (Jack, 2005; Bagwell, 2008). Finally, the case studies illustrated how looking at just the duration of ties and the frequency of interaction between partners is an inadequate way of understanding what is going on within ties and capturing tie

strength. Given all this, the study provides added impetus to the calls for more conceptual refinement in how ties are understood (Elfring & Hulsink, 2007) and a move towards a more nuanced representation than the dichotomous separation into strong and weak ties (Hite, 2003; Chang, 2011; Discua Cruz et al., 2013).

To help answer these calls, as an additional step towards disaggregating the elements that make up embedded relationships, an extension of the proposed conceptual model (Figure 9.3) is presented in Figure 9.4. It advances the idea that ties can be conceptualised as having multiple dimensions, each characterised by a spectrum of strength or depth. In so doing it extends the work of Hite (2003) which takes issue with the argument in much of the literature that a network tie is either relationally embedded or not. The model conveys the need to better appreciate and understand the complexity of network tie content. Six of the external ties from across the case studies have been included in the model at Figure 9.4 to demonstrate how the variation between ties can be captured by the approach:

Figure 9.4: External tie dimension strength model
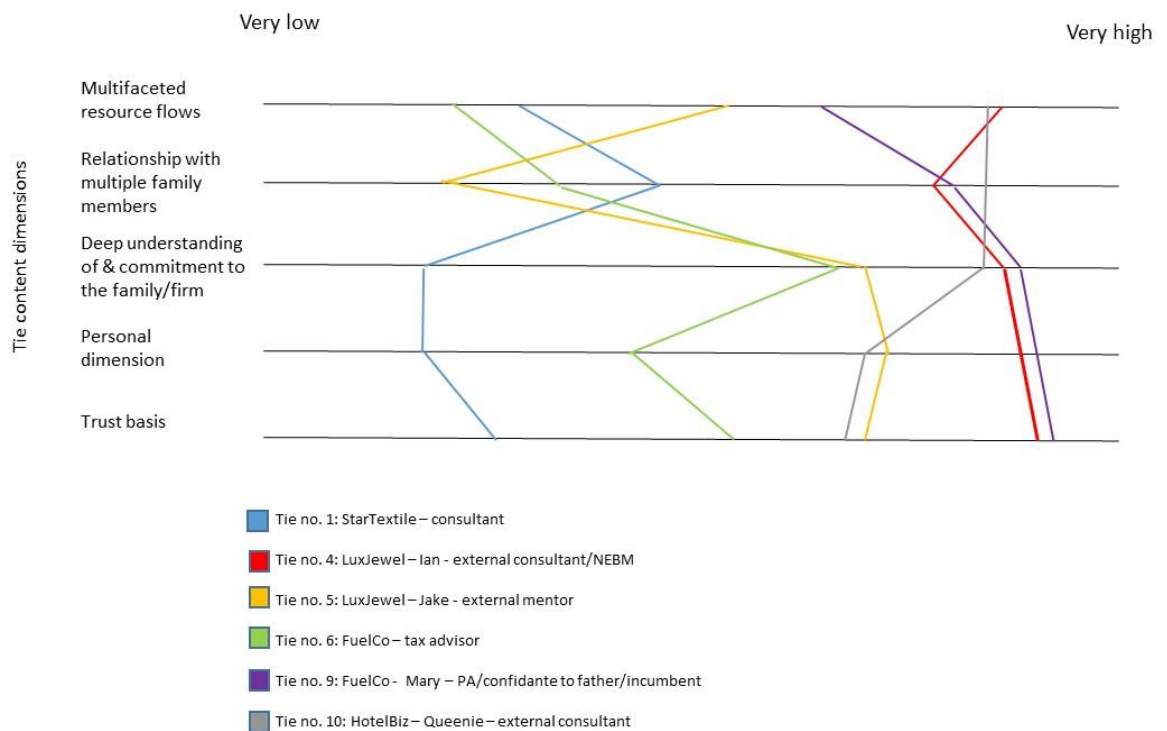
Cleary there is an element of subjectivity in deciding the level of the different dimensions and therefore the model should be interpreted as indicating a sense of the strength/depth of the various tie dimensions, rather than an exact quantification[19]. Critically, the dimension of trust appears once again in this model. The following section addresses this concept which emerged as central in understanding relational embeddedness in the FBS context.

9.2.4 Theorisation of trust in cross-boundary relationships

The literature review outlined how Uzzi (1996, 1997), Hite (2003), and Moran (2005) all identify trust as an important element of interfirm relationally embedded ties, however, they do not explore the concept in depth. More

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[19] The levels were determined based on the information summarised in Table 9.6. For example, the FuelCo tax advisor (tie no. 6) provided only advisory type resources and therefore is situated towards the low end of the spectrum for the 'multifaceted resource flows' dimension in contrast to Ian – consultant/NEBM (tie no. 4) who provided resources across all four of the resource flow categories to support the LuxJewel succession. In terms of the relationship with multiple family members Jake – external mentor (tie no. 5) only had a direct relationship with one of the LuxJewel family members and therefore is situated towards the low end of the spectrum, whereas Queenie – external consultant (tie no. 10) worked with all the HotelBiz family members (7 in all, including 4 not directly employed in the FB).

broadly, despite the increasing emphasis that has been given to the role of trust in entrepreneurial activity, less attention has been paid to how trust is developed and maintained in entrepreneurial social settings (Smith & Lohrke, 2008; Welter, 2012; Scarbrough et al., 2013). There is a paucity of research on how and why trust emerges and develops in entrepreneurial ties, including the role of third parties. Scholars have called for more research on the factors that build trust in different contexts (Welter, 2012) and the nature of trust development over time within relationships (Lewicki et al., 2006). Additionally, the distinct nature, dynamics, processes, antecedents and consequences of trust in FB settings remain underexplored (Eddleston and Morgan, 2014). The following section draws explicitly on the trust literature to consider the trust dimension of relational embeddedness in the particular context of FBS.

It emerged from the data that insights into relational embeddedness could be generated through thinking about the types of trust operating in the external network ties, how these changed over time, and the basis for the emergence and development of this trust. Delving into the concept of trust in this way to better elucidate network tie content constitutes a research contribution given that, as noted above, scholars have noted the importance of trust but offer little further detail on the matter. The role of trust in how family members went about identifying and bringing in external individuals to support their successions and the underpinning rationale for these decisions was discussed in section 9.2.1. This section expands on the earlier discussion and integrates it with a more holistic view of the external ties from a trust-oriented perspective. A model is proposed in Figure 9.5 to capture in summary the nature and dynamics of trust across the external ties identified by family members as having influenced the respective succession processes. This reflects the discussions on the cross-boundary tie trust dimensions provided in Chapters 4-8, as well the analysis in section 9.1 focused on tie content. The design of the model draws on Lewicki and Bunker's (1996) model of trust as a phenomenon that can evolve in a 'stagewise' manner over the course of a maturing relationship (see Figure 2.2).

Figure 9.5: Model of nature and dynamics of trust across external ties

Trust basis

Trust

Time

Identification-based

Aspects of relational-based

Knowledge-based

'Roll over'/third party-based*

Institutional-based
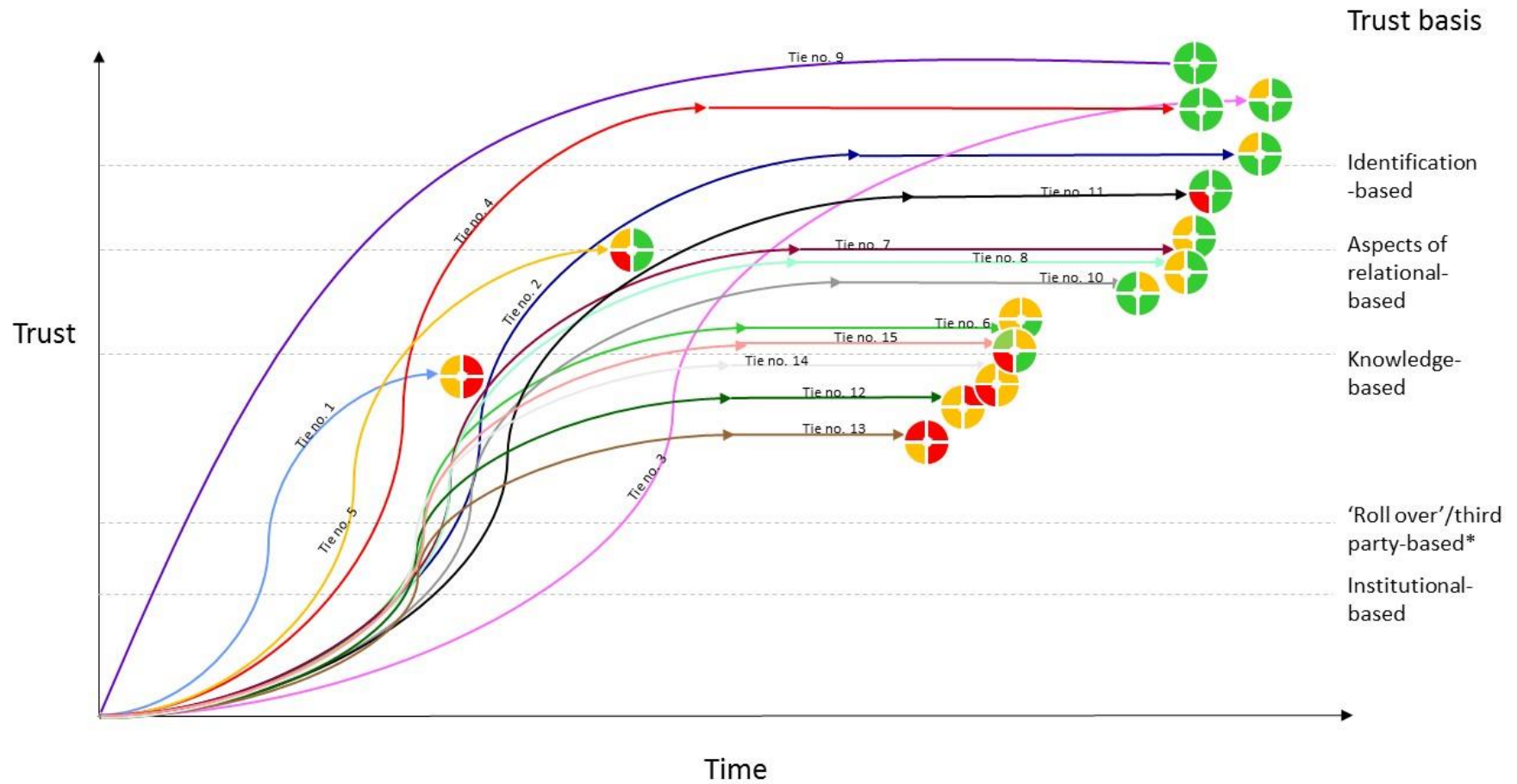
* Note: 'Roll over'/third party-based trust not a feature of ties no. 2, 9 & 13

Figure 9.5 supporting information

Definitions of trust types: [See Ch2 for more detail]

- **Institutional-based trust**: grounded in expectations embedded in societal norms and structures; shared understandings regarding the system of rules regarding appropriate behaviour (Zucker, 1986; Kramer, 1999)

- **'Roll over' trust**: where third parties act as important 'go-betweens' in new relationships enabling individuals to 'roll over' their expectations from well-established relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust and subsequent commitments to be offered and discharged (Uzzi, 1997; Kramer, 1999; Ferrin et al. 2006).

- **Knowledge-based trust**: relies on information rather than deterrence and is grounded in knowing the other party sufficiently well based on the history of interactions so that the other's behaviour is anticipatable (Lewicki & Bunker, 1996).

- **Aspects of relational trust**: grounded in social interactions; about reciprocated interpersonal care and concern (Rousseau et al., 1998) and thus combines aspects of both KBT and IBT as outlined by Lewicki and Bunker (1996).

- **Identification-based trust**: based on a mutual understanding between parties so that they identify with the other's desires and intentions and can effectively act for each other (Lewicki & Bunker, 1996).

These symbols are miniaturised versions of Figure 9.2 – the conceptual model of FB succession external tie content dimensions. The wording has been removed due to size constraints but remains consistent with that in Figure 9.2. Colour coding has been used to indicate the level of each dimension exhibited by the tie: Red = low, amber = moderate, green = high

Colour coding of lines representing ties

- Tie no. 1**: StarTextile – consultant
- Tie no. 2: StarTextile – friend/mentor
- Tie no. 3: LuxJewel – Harry – external accountant
- Tie no. 4: LuxJewel – Ian - external consultant/NEBM
- Tie no. 5: LuxJewel – Jake - external mentor
- Tie no. 6: FuelCo – tax advisor
- Tie no. 7: FuelCo – Non-executive / executor – financial
- Tie no. 8: FuelCo - Non-executive / executor – legal
- Tie no. 9: FuelCo - Mary – PA/confidante to father/incumbent
- Tie no. 10: HotelBiz – Queenie – external consultant
- Tie no. 11: CoffeeCo – old friend
- Tie no. 12: CoffeeCo – accountants
- Tie no. 13: CoffeeCo – suppliers
- Tie no. 14: PrintBiz – financial advisor
- Tie no. 15: ClothCo – legal advisor

** Tie nos. correspond with those in Table 9.6

Like the model proposed by Lewicki and Bunker (1996), the model in Figure 9.5 is conceptual in nature; the trajectories of the lines representing each tie are indicative of the trust development dynamic. The research did not set out to quantitatively measure and plot the levels of trust within each tie. While the sequence of trust type development reflects the data from interviewees it is possible that the trajectories were somewhat different in practice, for example, with the lines being less smooth and plateaus at earlier or later stages. It is noteworthy that among the key cross-boundary ties identified by family members as influencing succession there were no instances of loss of trust, a topic which is receiving increasing research attention. Only the tie between the Star-Textile Chairman and the consultant (tie no. 1) ended relatively quickly because the former decided they had extracted what they needed from the relationship which had always been conceived of as a time-limited procurement of professional services for a specific purpose.

The case study data and the resultant model provide empirical evidence from the FBS context to support Lewicki and Bunker's (1996) conceptual model of particular types of trust developing in a 'stagewise' manner. Figure 9.5 illustrates the dynamic nature of trust in the FBS external ties. It points to the need for an appreciation of temporality in understanding the nature and role of trust in relationally embedded ties. Institutional-based trust (Zucker, 1986) and the notion of 'roll over' or third party referral-based trust (Uzzi, 1997; Ferrin et al., 2006) featured as an initial basis in nearly all the ties[20]. The importance of the third party referral role in how family members went about bringing in outsiders to assist with succession was discussed in section 9.2.1. Recognising and integrating this type of trust with the other types that feature prominently in the trust literature, such as institutional-, knowledge- and identification-based trust (Zucker, 1986; Lewicki & Bunker, 1996), brings an added and novel dimension. This responds to calls for research to enhance understanding of the effect of third party relations and how these combine with dyadic factors to shape interpersonal trust in organisational settings (Ferrin et al., 2006).

Over time all the ties moved to a basis of KBT through repeated interactions (Lewicki & Bunker, 1996). Nine of the fifteen ties went on to develop a basis of

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[20] The exceptions in terms of 'roll over' trust were ties nos. 2, 9 and 13 where there were no connecting third parties involved.

at least aspects of relational-based trust (Rousseau et al., 1998), with seven of these appearing to deepen the trust basis still further to IBT (Lewicki & Bunker, 1996). These are arguably very high levels of trust, particularly in the context of business relationships where CBT and KBT (Lewicki & Bunker, 1996) might be expected to be the norm, grounded in contractual agreements and familiarity developing through interactions over time. The finding contrasts with that of Bennett and Robson (2005) in the SME context where external advice was mainly sought to fill gaps in internal capacity for which affective commitment and deep trust basis were not regarded by clients to be particularly important. This raises the question why such deep levels of trust were present, or indeed necessary, in external ties involved in FBS. Three, potentially overlapping, explanations warrant consideration. Firstly, as the case narratives indicate, the external individuals were involved in supporting FBS processes which were complex, multifaceted, and often highly sensitive. They had to engage in subtle understanding and handling of personalities, family and firm culture, and supporting delicate and protracted processes of multiple role adjustment. To do this effectively the external actors arguably needed to have high trust relationships with the relevant family members. This has some parallels with the work of Moran (2005) among pharmaceutical company managers where he finds that the nature of network ties in terms of levels of closeness and trust played a stronger role in explaining new innovation-oriented tasks, whereas network structure was more important in relation to routine sales performance. Moran (2005) suggests that this may be because innovation requires the exchange of relatively less tangible and complex information and mutual learning which involves vagueness and uncertainty for those in the network tie and therefore necessitates deeper, stronger, high-trust relationships.

The second element of a possible explanation for the high levels of trust exhibited by the external network ties studied relates to the FB context. As discussed in Chapter 2, Sundaramurthy (2008) contends that rather than an evolution from calculative-based through knowledge- and then identification-based trust that might be the case in a non-family firm setting, in a FB the trajectory starts from a basis of deep interpersonal trust between family members grounded in kinship, common values, shared history, and extended periods of interaction. Others point to the focus on socioeconomic wealth as making trust

very important and observe that FB governance is often based on a high level of mutual trust (Steier, 2001b; Sundaramurthy, 2008; Eddleston et al., 2010). This notion that FBs are often based on high levels of a distinctive type of trust may mean that trust would be an important facet of ties with outsiders. Indeed, Strike (2013) finds that in the experience of 'most trusted advisors' who had worked in both family and non-family firms, families placed more emphasis on trust and confidence in a FB environment than in a non-family firm environment. However, it is interesting that trust also emerged as a critical facet of the external ties in the FuelCo case where there was a notable lack of intra-family trust. As noted in the literature review, assumptions that trust is an inherent characteristic of the FB need to be subject to greater scrutiny (Eddleston & Morgan, 2014).

The third potential reason why most external ties involved in FBS are characterised by high levels of trust relates to the sources of the trust. In terms of the KBT and IBT (Lewicki & Bunker, 1996) the antecedents of this trust can be understood to be composed of the dimensions of tie content as illustrated in Figure 9.3. Thus it was the foundation of mutual respect, the personal dimension to the relationship, the utility of the tie to the family member, the external individual's depth of understanding of the family and the firm, and whether he/she had a relationship with more than one family member which enabled and underpinned the development of trust in the cross-boundary ties. At the same time, it was the trust between the tie partners which enabled and reinforced these dimensions of tie content and therefore they can also be viewed as the consequences of trust in the relationships. Thus it can be understood as a mutually constitutive and dynamic relationship between the identified tie content dimensions and trust. Figure 9.3 illustrates this with the placement of trust at the centre of the model within the circular arrows.

Highlighting a few examples from the cases further illustrates this concept of a mutually constitutive relationship between trust and the tie content dimensions. It was the development of a deep understanding of the FuelCo family and company that helped the tax, financial and legal advisors generate bonds of trust between them and Ken3 – DC&ED and his father. Simultaneously, it was the maturing basis of trust in the relationships which enabled the advisors to gain adequate physical and cognitive access to the family and firm to develop this

depth of understanding and commitment to the long-term success of the family and firm. Similarly, trust was the necessary foundation for the multiple resources accessed through the external network ties and simultaneously the trust between the actors was developed and reinforced through the utility of the ties to family members. For example, the external consultant, Queenie, could only play a role in ensuring the emotional aspects of succession were surfaced and dealt with because she was trusted enough by the HotelBiz family members to fulfil this role. At the same time, by positively contributing to preventing the emergence of damaging intra-family emotions Queenie further strengthened the trust placed in her by the family members. In LuxJewel the deep level of trust between both Harry - external accountant and Ian - external consultant/NEBM and Eric – EC was partially grounded in the congruence of their personal values and the strong friendship that developed between them. In turn, this friendship was encouraged and reinforced by the growing basis of trust within the relationships.

Figure 9.5 provides further insight as to the mutually constitutive nature of the relationship between the tie content dimensions and trust. All the ties which were high trust – those that were judged to involve aspects of relational-based trust or IBT - exhibited a high level of the tie content dimensions. In other words, levels of tie multiplexity (Lowik et al., 2015) corresponded with levels of trust. Thus two ties had four green quadrants (ties nos. 4 and 9), four ties had three green quadrants (ties nos. 2, 3, 10 and 11), and four had two green quadrants (ties nos. 5, 7, 8 and 15). This reflects the interrelated nature of the two facets with multiple and varied interactions serving to reinforce and enhance levels of trust. It was these higher trust ties which brought the greatest value to family members in supporting their succession processes in terms of the resources provided and the influence they had on the patterns and experiences of the transitions. Therefore it would appear that, in addition to 'roll over'/third party referral based trust (Uzzi, 1996; Ferrin et al., 2006) in the initiation phase, it was relational-based and identification-based types of trust that were most important in influencing the role of relationally embedded ties in the succession process. Nevertheless, it is worth noting that, as discussed previously[21], an external individual could still contribute to the succession process even if he/she

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[21] See section 9.2.3

was operating from a more arm's length position. This suggests that while external ties based on high trust may be most valuable to family members in assisting with intergenerational transitions, a mix of input involving other weaker ties may also deliver results.

The notion of a simultaneous and highly interrelated relationship between trust and specific tie content dimensions also has relevance to the earlier discussion on the need for a more multidimensional understanding of relational embeddedness than the dichotomous separation into strong and weak ties (Hite, 2003; Chang, 2011; Discua Cruz et al., 2013). Figure 9.5 conveys how a more nuanced understanding of the complexity of network ties can be achieved by conceptualising ties as having multiple dimensions, each characterised by a spectrum of strength, and this being bound up with the development of specific types of trust. This conceptualisation extends theoretical understanding of the concept of embeddedness, specifically relational embeddedness, an area identified in the literature review as requiring research attention. The discussion in this chapter and the proposed models respond to the criticism of Granovetter's (1985) concept that it lacks specificity about *how* economic actions are embedded in and shaped by networks of social relations (Friedland & Alford, 1991; Powell, 1996; Krippner & Alvarez, 2007). By identifying key content dimensions of external ties in the FBS context and drawing on the trust literature to explore the types and dynamics of trust within these relationships the study extends the 'built down' concepts of embeddedness (Krippner & Alvarez, 2007) provided in the current literature by scholars such as Uzzi (1996, 1997), Hite (2003) and Chang (2011).

9.3   Conclusion

The discussion in section 9.2 has explored the nature and content of the external network ties identified by family members as having influenced their FBS processes. Through a focus on the cross-boundary tie initiation phase, the resources flowing across ties, and the nature of the relationships over time the complexity of network ties has been highlighted and conceptual understanding of relational embeddedness in this context enhanced. A typology of the personal dimension of the external ties, along with models encapsulating the multidimensionality of tie content and dimensional strength were advanced. These propose a more nuanced representation of tie content than the

Granovetterian dichotomous strong/weak tie conceptualisation. The critical role of trust in understanding relational embeddedness in the FBS context was examined. A conceptual model to reflect the nature and dynamics of trust across the pertinent FBS external ties was proposed as well as potential explanations as to why the majority of these ties were high-trust in nature. A mutually constitutive and dynamic relationship between FBS external tie content dimensions and trust was identified.

10 CONCLUSION

This chapter brings the study to a conclusion. The research objectives set out in chapter 1 are restated and the theoretical, empirical and practical contributions also outlined in that first chapter are articulated in more detail. In so doing, it is noted where extensions and novel contributions to the body of literature reviewed in chapter 2 have been made. The research contributions are offered based on the cross-case analysis provided in chapter 9 which was based on the findings derived from the pilot case (chapter 4), the three in-depth case studies (chapters 5-7), and the three 'mini cases' (chapter 8). This final chapter concludes with consideration of the limitations of the study, which extends the discussion on methodological limitations in chapter 3 (section 3.10). Finally, thoughts on the future research agenda are articulated.

10.1   Research objectives review

The study set out to explore the role of external relations in shaping intergenerational succession in FBs and to extend theoretical understanding of relational embeddedness. As set out in section 1.2 the specific objectives were:

From an empirical and practical perspective, to explore:

- What types of external relationships family members make use of in planning and managing intergenerational succession;

- How family firm members identify relationships to initiate/develop to support the succession process and the rationales of actors in developing these relationships;

- How FBs make use of their external relationships in managing succession, including what resources and capabilities are accessed through external ties; and

- The value of the external relationships to FB members, including:
    - How patterns of succession can be shaped by external interactions; and
    - Whether FBs can proactively cultivate and use social ties as part of a strategy to effectively manage succession.

From a theoretical perspective, to further develop the concept of relational embeddedness by examining the nature of the external relationships to extend understanding of the complexity of network ties, including:

- Examining the strong/weak social tie conceptualisation to propose a more nuanced framework; and
- Exploring the role of trust in the emergence, development and operation of external network ties.

The research objectives have been fulfilled as evidenced by the detailed discussion in Chapter 9 providing a cross-case analysis and interpretation. For clarity the main contributions are highlighted below. Working notes used as a basis to clarify the potential contributions are provided at Appendix 17.

10.2   Theoretical contributions

Through examining how family members understand and utilise external network ties in managing succession the study extends conceptual understanding of relational embeddedness. Overall, the study demonstrates that a more nuanced understanding of the complexity of network ties can be achieved by conceptualising ties as having multiple dimensions, each characterised by a spectrum of strength, and this being bound up with the development of specific types of trust.

By focusing on relational rather than structural embeddedness the study considered a facet of the embeddedness concept which has received relatively little research attention. This focus assists in the conceptual development of embeddedness and better understanding of network interactions (Dacin et al., 1999; O'Donnell et al., 2001; Hite, 2003, 2005; Jack et al., 2008; Jack, 2010; Chang, 2011). The multiple dimensions of external network tie content in the FBS setting were unpacked, thereby shedding light on *how* networks of social relations can shape action in a particular context. This addresses the argument that ambiguity remains about *how* the networks of social relations emphasised by Granovetter (1985) in his theory of embeddedness affect economic action (Friedland & Alford, 1991; Powell, 1996; Uzzi, 1997).

Theoretical understanding of relational embeddedness was enhanced through identifying the key components of network tie content in the FBS context. The study approached the complex issue of external network tie content through conceptualising tie operation as composed of three elements: the initiation phase, the resources flowing across ties, and the nature of the relationships over time. This type of in-depth exploration of the nature and content of network ties is largely absent in the literature (Jack et al., 2004; Jack, 2010). Employing the notion of tie utility and categorising these functions in terms of resource flows (advisory, catalytic, validatory, and capacity development) extends nascent work by Jack et al. (2004) in the entrepreneurship field which found that entrepreneurs' strong ties were clustered around 'nodal categories' which fulfilled different purposes by providing different sorts of resources. In addition to tie utility, external actors having relationships with more than one family member and developing a deep understanding of the family and firm were identified as important features of influential external network ties in FBS processes. These features were combined with the notion of key ties having a distinct personal dimension, an interesting contribution given that the personal component of relationally embedded ties has received little research attention. Building on the work of Hite (2003) a typology of FBS external tie personal dimension components was proposed (Table 9.9). The various dimensions of tie content were brought together in one of the study's main theoretical contributions: a conceptual model for relational embeddedness in the FBS context, presented at Figure 9.3. As outlined in section 9.2.3, the model illustrates the potential multidimensionality of tie nature, rather than the limited notion present in much of the literature of frequency and duration of interaction as criteria to explain what is going on within and between ties. It proposes more tangible components than the somewhat amorphous notions of emotional intensity, intimacy and reciprocity incorporated in Granovetter's (1973) conceptualisation of tie content. It is demonstrated that network ties should not simply be considered to be either relationally embedded or not, with the model conveying the potential multidimensionality of network ties, at least in the FBS context, thereby extending conceptual understanding of relational embeddedness. The model and underpinning data extends nascent work on network tie content in the entrepreneurship field (Hite, 2003; Jack, 2010; Chang,

2011; Lowik et al., 2012) and brings a new perspective through focusing on FBS.

Based on disaggregating tie content dimensions a further theoretical contribution was made in reconsidering Granovetter's (1973, 1985) dichotomous notion of strong and weak ties. In so doing the study picks up on suggestions made by a small number of scholars (Hite, 2003; Jack, 2005; Chang, 2011) who have questioned the continued adherence to the strong/weak tie conceptualisation in the entrepreneurial network literature and provides a more nuanced representation of tie nature (Hite, 2003; Elfring & Hulsink, 2007; Chang, 2011; Discua Cruz et al., 2013). It was observed that the ties drawn upon to bring outsiders into the succession processes were not uniformly 'weak' or 'strong' and those relationships most influential in the succession processes were multidimensional and complex in nature. Furthermore, several individuals who had strong ties with family members performed a bridging function to new and diverse resources (a function usually associated with weak ties), and the duration and frequency of interaction between partners was found to be an inadequate way of capturing tie strength. Therefore, a model (Figure 9.4) was proposed to reflect the idea that ties are complex in nature and can be conceptualised as having multiple dimensions, each characterised by a spectrum of strength. This constitutes a significant theoretical contribution through providing a mechanism for conceptually refining the notion of tie nature and moving away from the rather crude distinction between strong and weak ties (Elfring & Hulsink, 2007).

Crucial to the more nuanced understanding of network tie content proposed was the notion of trust. Indeed, the model of network tie content dimensions (Figure 9.3) has trust at its centre. A core area of theoretical contribution was the exploration of trust as a key dimension of relational embeddedness in the FBS context. Understanding of FBS external network tie nature was enhanced through examining the basis for the emergence and development of trust within these ties, the types of trust operating in the ties, and how these changed over time. Delving into the concept of trust in this way to better elucidate tie content constitutes an important research contribution given that a number of network tie studies note the importance of trust but offer little further detail on the matter (Uzzi, 1996, 1997; Hite, 2003 and Moran, 2005).

Trust was identified as critical in how family members went about identifying and bringing in external individuals to support their respective succession processes. The data indicated the important role played by the connecting tie in this process and the parallels with the work of Uzzi (1996) and Jonsson (2015) in the entrepreneurship field wherein third parties acted as important 'go-betweens' in new relationships enabling individuals to 'roll over' their expectations from established relationships to others where they do not yet have sufficient knowledge of the parties and thereby furnish a basis for trust (Uzzi, 1997; Kramer, 1999; Ferrin et al., 2006; Jonsson, 2015). It was argued that the third party referral role was particularly relevant in the way external actors were identified in the sensitive FBS context. In the theorisation of trust development within the external ties integrating this trust basis with the other types that feature prominently in the trust literature, such as institutional-, knowledge- and identification-based trust, made a novel contribution. Looking at this dimension responded to calls for research to enhance understanding of how third party relations shape interpersonal trust (Ferrin et al., 2006) and how and why trust emerges in particular contexts (Welter, 2012).

A conceptual model drawing on Lewicki and Bunker's (1996) 'stagewise' model of trust was proposed (Figure 9.5) to capture the nature and dynamics of trust across the external ties that influenced the respective succession processes. This model is a key theoretical contribution of the study. It illustrates the need for an appreciation of temporality in understanding the nature and role of trust in relationally embedded ties. It also illustrates that the external network ties most influential inn FBS processes involved very high levels of trust. Potential explanations were outlined as to why such deep levels of trust were present in external ties involved in FBS. A key reason related to the sources of the trust which it was argued could be understood to be composed of the dimensions of tie content as illustrated in Figure 9.3. Thus it was the foundation of mutual respect, the personal dimension to the relationship, the utility of the tie to the family member, the external individual's depth of understanding of the family and the firm, and whether he/she had a relationship with more than one family member which enabled and underpinned the development of trust in the cross-boundary ties. At the same time, it was the trust between the tie partners which enabled and reinforced these dimensions of tie content and therefore they can

also be viewed as the consequences of trust in the relationships. Therefore, it was argued that in the FBS context the relationship between the tie content dimensions and trust is a mutually constitutive one, illustrated in Figure 9.3 by the placement of trust at the centre of the model. This insight breaks new ground in the study of network tie content and understanding relational embeddedness.

Finally, a theoretical contribution was made through applying an embeddedness perspective to FBS research. Many of the existing studies on FBS are predominantly empirical in nature. By viewing succession through a new theoretical lens, it is demonstrated that succession needs to be conceptualised as a distinctly social process and understanding of the complex phenomenon of intergenerational succession is enhanced.

10.3 Empirical contributions

The findings complemented the emphasis in the literature on the seriousness of intergenerational succession and its potential to threaten family harmony and even business survival (Handler & Kram, 1988; Kets de Vries, 1993; Cromie et al., 1995; Morris et al., 1997; Colli et al., 2003; Neubauer, 2003; De Massis et al., 2008; Filser et al., 2013). All the FBs recognised, or came to recognise, the challenge presented by succession. However, it appeared that the size, complexity and financial resources involved had an impact on perceptions about the criticality of the juncture presented by succession, suggesting this dimension be given more recognition in research. Alignment with the literature was observed with all the succession processes taking place over a number of years and being multi-staged and multidimensional in character (Stavrou, 1999; Cabrera-Suarez et al., 2001; Sharma et al., 2003; Lambrecht, 2005; Filser et al., 2013). However, an extension to existing research was advocated in that the gradualness, fluidity and ambiguity of the phases articulated by the interviewees suggested the need for an enhanced recognition of the temporal complexity of intergenerational succession.

The centrality of the relationship between the incumbent and successor was another area where the study supported the emphasis in existing research (Cabrera-Suarez et al., 2001; Le Breton-Miller et al., 2004; Sharma, 2004;

Brockhaus, 2004). The case studies indicated that legitimation of the prospective successor in the eyes of the incumbent was a particularly important element. This finding complements the existing body of research which points to a range of factors in the incumbent-successor relationship. The uncle-nephew relationships in three of the FBs were found to possess a subtly different dynamic to the father-son relationships in the other cases. Thus the basis for successor legitimation and the role this can play in incumbents effectively 'letting go' and the nuances of uncle-nephew relationships (or where aunts and/or nieces are involved) are topics which potentially merit further study. Empirical evidence was provided to support elements of Mussolino and Calabro's (2014) theoretical propositions on benevolent and authoritarian paternalism as forces in succession processes. Returning to the case study firms in the future could enable specific exploration of the concept of paternalism (Mussolino & Calabro, 2014) and its perceived impacts on succession processes. The study aligned with existing research demonstrating a tendency for discrimination against daughters in FBS (Wang, 2010). However, a novel dimension was provided through interviewing three females who were involved in succession processes but were not the main successor. These individuals' perspectives are often neglected in research (Birley, 2002) and indicate that an enhanced understanding of gender issues in FBS could be developed through focusing on these stakeholders in the succession process.

The study demonstrated the relevance to the FBS context of Granovetter's argument that action cannot be explained by individual motives alone; rather it is embedded in ongoing patterns of social relations (Granovetter, 1985, 1992). Understanding of the complex dynamics of intergenerational succession was enhanced by examining the range of relationships with actors outside the FB and the family that can influence FBS processes. There is a need for a much expanded conception of the scope of relationships that can potentially influence succession processes. The focus on the role of external network ties in shaping succession and how and why these particular relationships were developed have been overlooked in the internally-focused FBS literature. Thus the findings respond to Daspit et al.'s (2016) calls for research examining how exchanges across family boundaries with non-family stakeholders can be cultivated to facilitate succession processes. They complement the study by Salvato and

Corbetta (2013) with its call for a more nuanced view of succession as a social process and extend this through demonstrating that it is not just the successor leadership aspect which needs to be understood as being gradually constructed through the contribution of a broad group of actors within and outside the organisation. The study demonstrates that external network ties can positively and extensively contribute to the pattern and experience of intergenerational succession. By considering the FBS setting the study adds to the literature because previous studies have focused on entrepreneurship where external network ties have been shown to be important in firm emergence and growth (Hite, 2003).

All of the FBs examined were, to some extent, open to external input, in contrast to the literature's emphasis on FBs tending to resist external involvement as part of protecting their privacy (Roessl, 2005; Naldi et al., 2015). Possible reasons for this openness were suggested. While FBs are undoubtedly concerned about privacy and many do maintain an overwhelmingly internal orientation, a more nuanced understanding of FB attitudes to external input may need to be developed. The range and multidimensionality of resources accessed from the external network ties by family members to support the respective succession processes lends weight to this argument. Identifying the different functions fulfilled by external actors, including some hitherto unrecognised in the literature, provides new insights on the potential roles of external actors in FBS, as well as extending the limited literature on FB advising (Strike, 2013; Michel & Kammerlander, 2015). The roles externals can play in triggering action, providing reassurance to family members, and preventing the emergence of damaging emotional issues related to succession add new insights to the existing body of FBS research. The findings on the mentoring role played by some of the external actors makes a contribution given the lack of research on the issue in the FB setting (Boyd et al., 1999; Ip & Jacobs, 2006; Strike, 2012; Distelberg & Schwarz, 2015). The study demonstrates how useful external individuals can be to family members in helping to plan for and implement intergenerational transitions, addressing a gap in the research. Identifying and categorising the types of specific impacts external network ties had on the respective succession processes makes a further contribution.

Considering the role of trust in the cross-boundary relationships that influenced the succession processes provided empirical contributions. This dimension of FBS had not previously been studied and the findings enhance the current limited understanding of trust in FB advising relationships (Perry et al., 2015). A contribution was made to the FB literature more broadly where the distinct nature, dynamics, processes, antecedents and consequences of trust in FBs remain understudied (Eddleston and Morgan, 2014). The case study data and the resultant model (Figure 9.5) provide empirical evidence from the FBS context to support Lewicki and Bunker's (1996) conceptual model of particular types of trust developing in a 'stagewise' manner. The study responds to calls for further empirical research on the dynamic nature of the development of trust over time within interpersonal relationships (Lewicki et al., 2006). It was found that the majority of the external ties influential in FBS processes involved high levels of trust which contrasts with work indicating that in many business relationships CBT and KBT tend to be the norm (Lewicki & Bunker, 1996; Bennett & Robson, 2005). Suggestions were made as to why such deep levels of trust were present, and arguably necessary, in external ties involved in FBS. These included the sensitivity and complexity of FBS necessitated deep cross-boundary relationships, the distinctive trust environment of the FB setting, and the mutually constitutive and dynamic relationship proposed between tie content dimensions and trust. Future research could usefully explore this issue in more depth.

A final empirical contribution was the use of a Northern Ireland based sample of multi-generational FBs. This approach helps address the paucity of FB research in this geographic setting where family enterprises are particularly important to the regional economy (Institute for Family Business & Oxford Economics, 2011).

10.4   Practical contributions

Creating and maintaining networks requires entrepreneurs and FB members to invest effort, time, and resources (Stam et al., 2014). Therefore, it is important that individuals can approach their relationship development activity in the most efficient manner that delivers benefits for them and their business. This is particularly important in FB settings where resources are often scarce. This research may help FBs develop the most appropriate types and trajectories of

network ties to assist them to plan and manage intergenerational transition processes. The study encourages family members to open their minds to external input to support succession and indicates the potential range of individuals and organisations they might consider to support them through the process. Guidance is offered on what dimensions may characterise successful cross-boundary relationships and how FB members might derive benefit from the ties to help achieve their succession aims. The findings suggest that, at least to some extent, FBs can proactively cultivate external relationships as part of a strategy to effectively manage succession.

The study may provide insights helpful to those individuals working with or potentially engaging with FBs to advise and support them on succession-related matters. This may include stakeholders such as professional advisors, formal and informal mentors, policy-makers, financial institutions, government funded bodies, academic institutions and non-executive board members. By better understanding the roles external network ties can play in FBS more effective interventions and mutually productive relationships can potentially be developed. This may contribute to the call by Northern Ireland's former Enterprise Minister for the public sector, private sector and academia to work together to support FB survival and development, which is regarded as crucial to the region's economic future (Northern Ireland Executive, 2012).

10.5 Limitations and future research agenda

The study inevitably has a number of limitations. The study sample was necessarily small given time constraints, access issues and the qualitative and interpretivist approach which aimed for depth rather than breadth. While the focus was on analytical generalisation to theory rather than generalisability to a wider population, the sample size was still a limitation. The focus on the geographic area of NI could also be seen as a limitation; the findings may not reflect the conditions within other settings. Even though small, the sample was constructed to include diversity, however, there would be value in further research with a wider sample involving, for example, more FBs at a broader range of stages of succession, in other industries, of various sizes, and involving different configurations of family members in varying roles. Extending the sample to a wider geographical setting could also yield insights about possible

cultural factors at play in how and why outsiders are utilised in succession processes.

Future research could address another limitation which was the small number of external individuals who were interviewed, largely due to access difficulties. Engaging with a greater number and wider range of such individuals would add to the understanding of the role of external relations in shaping succession and the nature of these ties. In constructing a broader sample it would be desirable to avoid cases where only one interviewee was available in a firm in order to gain multiple perspectives (Eisenhardt & Graebner, 2007). This was acknowledged as a limitation in three of the cases. In addition, the fact that one of these single interviewees declined to be audio-recorded was a further limitation, as discussed in the methodology chapter. A final sample-related limitation was that the cases studied were all examples of successful transitions (insofar as the firms are still operating under the leadership of a subsequent generation) because it proved very difficult to access firms where the process had been unsuccessful. If access obstacles could be overcome, an interesting area for future study would be the role of external ties in unsuccessful or partially successful transitions.

It was essentially a cross-sectional study given practical constraints, however, if access obstacles could be surmounted a longitudinal study would be valuable to provide insights on the dynamic and long-term nature of succession and the development of relationships over time. Another limitation was the concentration on interviews as the data collection method given that accessing internal FB documents relating to the successions proved impossible except in the pilot firm. A study over a longer timeframe may offer the possibility of integrating other data collection methods such as observation to develop a deeper picture of the phenomenon under investigation (Collis & Hussey, 2014).

In addition to the points noted above, there are several other areas which could form a fruitful future research agenda. Empirical testing with larger samples is necessary to test the proposed conceptual models and explore their potential applicability in the broader research contexts of FB and entrepreneurship. Future qualitative and interpretivist studies could be combined with quantitative approaches to further extend understanding of the role of external relations in

FBS as well as deepen theoretical understanding of relational embeddedness. Within this several areas emerged as offering interesting avenues to explore. These included undertaking work with a more specific focus on examining the sources, types, levels and dynamics of trust in relationships with individuals external to the FB and other entrepreneurial enterprises. Future studies could also usefully explore the influence of external actors and particular types of cross-boundary relationships on FBS outcomes, including the success or perceived success of transitions and the links with firm performance. Finally, there would be merit in investigating distinctions in transition experiences and relational embeddedness between managerial and ownership succession processes.

11 APPENDICES

Appendix 1: Northern Ireland Research Context

The study sample was drawn from entrepreneurial firms in Northern Ireland (NI). This section provides background information on the NI economic context as well as the entrepreneurial and FB activity in the region. It augments the discussion in Chapter 1 on the rationale for the study which noted that while FBs are of particular importance to the NI economy the topic has received little research attention.

Economic context

NI has a population of over 1.8 million people (Northern Ireland Statistics and Research Agency (NISRA), 2013). Despite being geographically part of the island of Ireland, as a political and legislative region of the UK coming under Direct Rule from Westminster from 1972 until devolution in more recent years, NI is closely tied into the British economy (Ackah & Heaton, 1996). Brownlow (2013) observes that in the period 1950 to 1979 the UK economy grew more slowly than its international competitors and, within the UK, NI performed particularly badly during this period. Its geographic peripherality and continued commitment to declining traditional industries such as shipbuilding and linen were exacerbated from 1969 by the outbreak of conflict (known as 'The Troubles') with all the attendant socio-economic implications and disincentives to inward investment (Brownlow, 2013). The result was that in the 1970s and 1980s NI was in a politically, economically and socially precarious position. As Ben-Porat (2005) notes, the region was dependent on British subventions to contain the economic crisis and sustain otherwise collapsing traditional industries.

Peace following the Good Friday Agreement in 1998 has not in itself been sufficient to raise NI prosperity to the UK average, or even to the UK average excluding South East England (HM Treasury, 2011). It remains one of the UK's most disadvantaged regions with low labour productivity rates, an underdeveloped private sector concentrated on low value-added sectors, and a strong dependence on the public sector (IREP, 2009; HM Treasury, 2011). Indeed, in 2011 the public sector accounted for approximately 30 per cent of all NI jobs compared to 21 per cent in GB (HM Treasury, 2011). Compared to other UK regions NI has the lowest proportion of businesses in the professional, scientific and technical sector (Department for Business, Innovation and Skills, 2013) and the highest proportion of economically inactive people of working age (PWC, 2011).

As Brownlow (2013) observes, NI has a relatively low rate of R&D spending and has a poor record on innovation activity and patents (IREP, 2009). While companies have become more export-focused, the majority of sales are destined for GB and the Republic of Ireland; in 2010 only 3% of NI manufacturing sales went to the 'BRIC' economies (Hutchinson, 2011). The overall level of exports also remains below dynamic small economies elsewhere. This is partly due to the predominance of SMEs in the NI economy which also results in a lack of critical mass to undertake high value activities such as R&D (Hutchinson, 2011). There are, however, some more positive aspects of the regional economy, including strong telecommunications networks, good transport links, competitive operating costs, a relatively young population and a high quality education and training system by UK standards (HM Treasury, 2011).

Against this background of structural weaknesses and the legacy of thirty years of conflict the NI economy was particularly severely affected by the recession starting in 2008. Output fell significantly across sectors, particularly construction, business and finance, and manufacturing and access to finance for companies became very difficult. The key trading relationship with the Republic of Ireland, the region's exposure in terms of the particularly severe property collapse across the island of Ireland, and the Irish banking crisis exacerbated the downturn. Large scale job losses had a major impact and signs of consumer stress in terms of insolvencies and mortgage arrears and repossessions all saw significant rises in the period after 2008. High levels of negative equity continue; property prices are only recovering slowly and in mid-2014 remained around half of their August 2007 peak. This compares to average prices in Scotland which were only 4.7 per cent below their peak, while prices in the South East were 7 per cent above their 2007 peak. Overall NI suffered a deeper and longer lasting recession than other parts of the UK in the period after 2008 (PWC, 2014).

Entrepreneurial landscape

This economic context provides the setting for entrepreneurial activity in the region. However, the body of academic research focusing specifically on entrepreneurship in NI is limited. The findings from the Global Entrepreneurship Monitor (GEM) project[22] indicate that the level of entrepreneurial activity in NI is relatively low, including in

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[22] The Global Entrepreneurship Monitor (GEM) is an international project involving over 50 countries which provides information on the entrepreneurial landscape of countries. It creates an index of early stage entrepreneurial activity (known as TEA) and provides an internationally comparative measure of the cultural propensity of a nation or region to be entrepreneurial. See: http://www.gemconsortium.org/

relation to the rest of the UK. The 2005 GEM report noted that NI was placed 10th out of the 12 UK regions in terms of total early stage entrepreneurial activity (TEA) and that women, young people (aged 18-24) and individuals from high income households were less likely than their counterparts elsewhere in the UK to be involved in new venture creation (Hart & O'Reilly, 2006). Early stage entrepreneurship in the region was around 40 per cent of the US level and half of the Republic of Ireland level in 2005, although it was higher than some EU countries, including Sweden and Belgium (Hart & O'Reilly, 2006). Later GEM NI reports also show that the TEA and female involvement in early stage entrepreneurial activity continued to be below overall UK rates (Hart & Levie, 2009, 2011). The GEM reports indicate that a fear of failure putting people off starting a business has been consistently higher in NI than other UK regions. It is important to note that the GEM methodology does not measure all entrepreneurial activity and is not based on a survey of business entities. Nevertheless, the data gives some indication of the entrepreneurial landscape in NI.

Hegarty (2006) argues that an entrepreneurship culture is inhibited by traditional attitudes, a parochial attitude to risk and business ownership (including fear of debt), lower levels of female entrepreneurs and a 'fear of failure' culture stronger than elsewhere in the UK. She emphasises the need to develop a culture that recognises and values entrepreneurs and their economic contribution. There is support for this position elsewhere in the literature. While acknowledging the negative impact of years of political instability, Hisrich (1988) points to the continued attachment to declining industries and an industrial infrastructure and government policies which did not support the development of new ventures. He asserts that in NI there:

> '…is a culture that does not actively promote new business formation or entrepreneurship through its educational system, peers, or family structure…it is the general consensus that those who want to get ahead do so by going abroad, while those who remain at home accept limitations on growth and innovation. This attitude is reflected in a general unwillingness to take personal and commercial risks' (Hisrich, 1988, p32-33)

Hisrich's comments seem particularly pessimistic, are based on a relatively small sample (53 questionnaires and 18 interviews with entrepreneurs), and the study is now over twenty-five years old. Nevertheless, they give some indication of perceptions and attitudes towards entrepreneurship in NI over the last few decades. It was during this period that the firms in my sample were operating or being established.

Government and educational organisations have undoubtedly placed more emphasis on developing entrepreneurship in the region in recent years, however, later studies indicate that the impact on the entrepreneurial landscape has been gradual. For example, Johnson (2004) illustrates that NI had a consistently lower rate of firm foundation compared to other UK regions in the period 1994-2001 and it continues to lag behind the rest of the UK in terms of business start-ups. In 2011 and 2012 NI had the lowest rate of business births of all the UK regions (Office for National Statistics, 2012, 2013). There is also some evidence of a 'brain drain' with approximately one third of students leaving to study outside the region and over half of these staying in GB to find higher value employment (Hutchinson, 2011). Having said all this, it is important to recognise that there are many successful entrepreneurial firms in NI, both home-grown and multinational investors. This includes an increasing number of firms in sectors such as software development, financial services technologies, and legal outsourcing underpinned by government funded incentives to attract inward investment (Invest NI, 2014).

Love et al. (2010) extend the understanding of entrepreneurial activity in NI through their study of how intra- and extra-regional connectivity influences innovation by service firms. They argue that the region's profile of strong intra-regional linkages and focus on the local market is inhibiting innovation and regional productivity. Through interviews with eleven NI knowledge-based and high tech start-up companies, Hill and Scott (2004) found an attachment to traditional personal contact networking rather than effective utilisation of innovative business intelligence models. An earlier study by Birley et al. (1991) provides further information on entrepreneurial networking patterns. While this study is now over twenty years old it is worth noting given the paucity of research on entrepreneurial networks in the NI context. Based on a survey of 274 owner-managers Birley et al. (1991) found that Northern Irish entrepreneurs have smaller and less heterogeneous networks than entrepreneurs in international comparison groups (USA, Italy and Sweden) but those associations which do exist are maintained and utilised extensively. Interestingly, Birley et al. (1991) found that the NI entrepreneurs did not rely heavily on social or family contacts, preferring business networks, although not business support agencies. In another study involving Birley, contrary to the authors' expectations it was found that the networks of female entrepreneurs in NI were very similar to those of men (Cromie & Birley, 1992).

Family business context

As outlined in Chapter 1, many of the firms surveyed in these studies would have been FBs given that they are estimated to make up about 75 per cent of Northern Irish companies and the region has been identified as having the highest concentration of FBs of all the UK regions (Institute for Family Business & Oxford Economics, 2011; BDO & Queen's University, 2012; Northern Ireland Executive, 2012). Harris et al.'s (2013) survey of SMEs in the peripheral regions of the counties along the Northern Ireland/Republic of Ireland border and in South Western Scotland found a relatively high occurrence of FBs, reflective of the indigenous nature of firm growth in peripheral regions where inward investment is limited.

Cromie et al.'s (1999) survey of over one thousand family firms in NI and Scotland found that the vast majority were small, well-established firms where the lead family retained almost all shares and dominated the boards of directors. Another survey by Cromie et al. (1995) provides more information on NI firms and compares these with the findings of Leach (1990) relating to GB family firms. NI FBs were found to include a higher proportion of younger and small firms, to have fewer shareholders, and to have fewer independent advisors on the board:

A comparison of the percentage of family firms in Northern Ireland and Great Britain		
	GB	**NI**
Firms established >30 years (%)	60	29
Firms employing 100 persons or less (%)	44	90
Firms with 5 shareholders or less (%)	57	92
Firms with independent advisors on the board (%)	31	9

Adapted from Cromie et al. (1995), page 19

Furthermore, GB FBs were found to have fewer family members in senior management positions and to have more diverse management teams (Cromie et al., 1995). Once again these figures are somewhat dated but give some insight to the FB landscape in NI.

Slightly more recent, Reid et al.'s (2002) survey of over two hundred NI SMEs, with FBs accounting for 61 per cent of the sample, provides some useful information on FB in the region. For example, they found that a higher percentage (81 per cent) of FBs had male owners/directors than non-family businesses (71 per cent) and the latter were

much more likely to hold a university degree (63 per cent compared to just 33 per cent of FB owners/directors). In line with findings from other studies, owners of Northern Irish FBs tend to remain in control for much longer than their non-family counterparts. The FBs also reported spending less on training staff and approaching training less systematically than their non-family counterparts (Reid et al., 2002). These findings align with those of Reid and Harris (2002) and Reid and Adams (2001) who found that NI FBs lag behind their non-family counterparts in implementing HRM policies and practices. Conversely McCole et al. (2001) found that family owned businesses in NI actually spent slightly more on training than non-family businesses. However, this was only by a marginal amount and, overall, McCole et al. (2001) conclude there is a relatively underdeveloped training culture among all SMEs in NI.

Family business succession in NI

It was noted in Chapter 1 that there has been very little research on FBS in the NI context. In their study of HRM practices in NI firms, Reid and Adams (2001) and Reid et al. (2002) find that while transfer of management responsibility to the next generation had taken place in many FBs, this did not mean that ownership had also been fully transitioned with the power base still being held by the previous generation in many cases. While they do not explore this issue further they do suggest that the lack of management training for family members in these companies may adversely impact the full ownership transitions in due course (Reid & Adams, 2001; Reid et al., 2002). The two firms used by Murray (2002) as case studies of FBs going through transitions from second to third generations were selected from an earlier survey of family enterprises in Scotland and NI (Cromie et al., 1999). Murray advances an argument about the importance of emotional factors impacting on succession-related decisions and the need to explore succession solutions acceptable to the main stakeholders. She notes briefly the finding that in one of the cases religion was a very important feature of family life and shaped the family's approach to business goals. She does not, however, explore this dimension any further, including whether the geographical location of the sample had any influence on the patterns of succession. These studies and the work by Cromie et al. (1995, 1999) referred to in Chapter 1 in relation to a lack of succession planning appear to be the only academic studies touching on FBS in the NI context.

Appendix 2: Summary of publications on relational embeddedness & network tie content

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
Bagwell (2008)	Role of transnational family networks in ethnic minority business development	Qualitative case study of the Vietnamese nail-care sector in the UK	The function of ethnic minority entrepreneurs' strong ties to transnational family networks in supporting business development	The wider family grouping located in different countries is very important to ethnic minority entrepreneurial start-ups - identifies importance of strong ties in providing bridges to diverse information and resources. Identifies the limitations of the strong/weak ties thesis when applied to cultures with extended families transcending national boundaries. Suggests frequency of contact inadequately captures tie strength.
Chang (2011)	Dimensions of relational embeddedness within the Taiwanese computer motherboard manufacturing industry	Qualitative & quantitative - participant observation and statistical analysis of survey	Considers two dimensions of relational embeddedness within inter-firm ties – relational closeness (the quantity and quality of personal contacts linking two organisations) and collaborative commitment (a firm's demonstrated willingness to support its partner in collaborative activities) and the relationships between the two dimensions.	Companies establish close relationships to resolve uncertainty and they use commitment when they are in the power-disadvantaged position in an imbalanced relationship. Firms develop and maintain different types of personal attachments in inter-firm relations for different reasons with the degree of embeddedness varying according to different conditions. Provides a richer understanding of what makes up embedded inter-firm relations.
Elfring & Hulsink (2003)	Role of networks in entrepreneurial firm emergence – role of strong/weak ties	Qualitative case study based approach	Consider how different types of relational ties benefit emerging ventures. However, it is not clear how they identified and distinguished between strong and weak ties in the three cases.	Identify the value of a mix of strong and weak ties for the entrepreneurial processes of discovery of opportunities and gaining legitimacy, as well as securing critical resources.

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
Hansen (1999)	The role of weak ties in sharing knowledge across organisational sub-units	Quantitative study using a network survey administered to R&D Managers in 41 divisions in a large electronics company	The type of network ties which support the search for new ideas and knowledge and the transfer of complex knowledge	While weak ties facilitate search, stronger ties involving richer patterns of relationships are more effective for actually transferring complex, tacit, and ambiguous information and ideas. Contends that strong ties provide the actors with a level of understanding and a relationship-specific heuristic for processing non-codified knowledge between them.
Hite (2003)	Classification of relationally embedded ties	Grounded theory approach & case study methods 8 emerging entrepreneurial firms in the IT industry in the US	Considers what are the components of the social relationships of relationally-embedded ties and how can relationally-embedded network ties be classified to identify different types of embeddedness based on variations in the social relationships.	Challenges the idea that a network tie is either relationally embedded or not, exploring what variety exists within network ties in terms of their characteristics. A classification typology of seven types of relational embeddedness is proposed based on combinations of three overarching social components – personal relationship, dyadic economic interaction, and social capital.
Jack, Dodd & Anderson (2004)	Nature & content of strong ties in entrepreneur-ial networks	Qualitative: semi-structured interviews & non-participant observation of 12 entrepreneurs and, in some cases, with their network ties	Seeks to enrich understanding of the characteristics, nature and content of strong ties in an entrepreneurial setting.	Find that ties were clustered around three 'nodal categories': family; previous business contacts; and customers, competitors and suppliers; and each of these fulfilled different purposes by providing different sorts of resources. Challenges the dichotomous nature of Granovetter's (1973 & 1985) strong/weak tie concept and questions frequency of contact as a characteristic of strong ties. Finds that strong family-based ties characterised by heterogeneity in terms of information and resources provided, rather than the kind of homogenous information that is

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
				suggested by Granovetter's (1973) strong ties conceptualisation.
Jack (2005)	The role, use and activation of strong and weak ties	Qualitative ethnographic approach with 14 respondents in the Highlands of Scotland over a four year period	Considers the role of ties and how they are used in an entrepreneurship context. Examines the applicability of Granovetter's (1973 & 1985) strong/weak tie concept.	Challenges the argument that weak ties particularly important for entrepreneurial businesses. Questions the strong/weak tie paradigm and the tendency to measure tie strength by frequency of contact.

Finds that strong ties are instrumental for business activity and used extensively, including to invoke 'weak' ties. Strong ties can remain latent and dormant until activation is required. |
| Jack (2010) | Review of research on networks within the entrepreneur-ship context | Literature review & conceptual paper | Identifies a lack of research on network content and what goes on in and between connections within the entrepreneurship context | Highlights gaps in research on networks within entrepreneurship context – calls for more qualitative studies and further research on the content of relations and how networks develop over time. |
| Jonsson (2015) | Entrepreneurs' network evolution in the start-up phase | Case studies of 6 Swedish fashion start-up firms – semi-structured interviews | The type and character of relationships entrepreneurs use to achieve firms' goals. Particular focus on cognitive dimension of social capital. | Finds shared cognitive attributes especially important for establishment of new relationships that develop into embedded ties. Also finds relationships that develop into embedded relationships are commonly a result of brokering through third-party referrals because such relationships set expectations of trust between newly introduced actors and equip the new relationships with resources from pre-existing embedded ties. Based on her findings she suggests that relational trust develops quickly in such relationships. |

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
Lechner & Dowling (2003)	How firms grow through the use of external relations	Qualitative multiple case study approach among high-growth firms in the Munich IT cluster	Consider the relational mix of network types (the kinds of relations) evident at different stages of entrepreneurial firm growth.	Identify particular characteristics of relationships, classifying them in terms of physical distance from the partner firm, the duration of the relationship, and the nature of the relationship, differentiating between contractual, trust-based or a mix of both. On this basis identify five types of networks used by entrepreneurs in varying combinations during the growth process of the firm. Argue both weak and strong ties important for the growth of the firm.
Lowik, van Rossum, Kraaijenbrink & Groen (2012)	Strong ties as sources of new knowledge in small firms	Case study of 4 small tech firms in Netherlands – semi-structured interviews and survey to classify relationships and calculate tie strength	Relationship between tie strength and new knowledge acquisition in small firms. Measure the emotional intensity as well as the duration of the relationship and frequency of contact to extend tie strength construct.	Find that small firms benefit in terms of innovation from developing both weak and strong ties. Point to notion of tie multiplexity – the extent to which multiple types of relations exist between network partners within a single relationship. Argue that multiple interactions increase trust between partners which stimulates further knowledge exchange, provided the partner has a breadth of knowledge.
Moran (2005)	Impact of managers' social capital on managerial performance	Quantitative – network questionnaire with managers in a large pharmaceutical company. Statistical analysis.	Considers two dimensions of social capital – the structural embeddedness (configuration) of a manager's network and the relational embeddedness (quality) of the network relations. Considers relationship quality in terms of interpersonal closeness (extent of personal familiarity in a relationship) and relational trust	Finds that structural embeddedness plays a stronger role in explaining more routine execution-oriented tasks whereas relational embeddedness plays a stronger role in explaining new innovation-oriented tasks. Contends that relational closeness shapes the willingness of the parties in a tie to provide resources, particularly the transfer of tacit and complex knowledge.

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
Rodan & Galunic (2004)	How knowledge heterogeneity influences managerial performance and innovativeness	Quantitative – preliminary interviews followed by survey and multiple regressions

Sample of 106 managers in a European telecoms company | Primarily considers network structure. Considers network content in terms of the diversity of knowledge accessed by respondents through their network contacts | Network structure matters, however, having a sparse network does not guarantee access to heterogeneous knowledge which is important for managerial performance and even more so for innovation performance. |
| Rowley, Behrens & Krackhardt (2000) | Analysis of structural and relational embeddedness in the steel and semiconductor industries | Quantitative - multiple regressions

Two samples from US steel and semi-conductor industries | Explores conditions under which sparse (dense) networks and strong (weak) ties are positively related to firm performance.

Emphasis on structural embeddedness - relational embeddedness only considered in terms of tie strength which is measured in terms of frequency of interaction and level of commitment (type of alliance) between partners. | Structural and relational embeddedness must be understood with reference to each other and the influence of these factors on firm performance is contingent on industry context:

Strong ties in a highly interconnected strategic alliance network negatively impact performance – dense interconnections and strong ties are alternate social control mechanisms.

Both strong and weak ties are beneficial to firms under different environmental conditions (strong for exploitation, weak for exploration) |
| Uzzi (1996 & 1997)

*The 1997 article is an extended version of the 1996 article | How embeddedness and network structure affect economic action | Mixed method: Ethnographic fieldwork – interviews with staff in 23 New York-based garment firms and statistical analysis of data set from the International Ladies Garment Workers Union | Considers how the embeddedness of economic activity in social network relations shapes patterns of economic exchange. Explores both the structure of ties among actors and the nature and components of the social relationship between and among exchange partners. | Distinguishes between embedded and arm's length ties and argues that firms derive particular economic value from embedded ties through three particular components of embedded relationships: trust, fine-grained information transfer, and joint problem solving.

Suggests the quality of network relations and how they are managed are as important as network structure in network research.

Argues optimal networks are composed |

Author(s) & year	Study subject	Methodology	Consideration of relational embeddedness	Key finding(s)/ contributions
				of both embedded and arm's-length ties because beyond a certain threshold, returns from embeddedness become negative - 'over-embeddedness'.
Uzzi & Gillespie (2002)	Effect of embeddedness on corporate financing networks and firms' debt performance	Mixed method: case-study fieldwork and statistical analysis of data set obtained from the National Survey of Small Business Finances (US)	Considers how the social embeddedness of ties affects information diffusion, access and interpretation. Specifically, how embedded relations between a firm and its banks facilitate the firm's access to distinctive capabilities. Considers the nature of transactions between firms, banks, and trade creditors.	Firms that embedded their commercial bank exchanges in strong social attachments established non-contractual governance arrangements of trust and reciprocity that facilitated the transfer of distinctive resources from the bank to the firm. Also advances a notion of network transivity – a mechanism by which a focal actor gains resources from one network tie that improves the value the actor derives from exchanges with an independent third relation.
Uzzi & Lancaster (2003)	How informal interfirm relationships affect knowledge transfer and learning benefits across firm boundaries.	Interviews & ethnographic observations at 11 Chicago-area banks followed by statistical analysis of interview response data	Considers how embedded versus arm's length ties influence knowledge transfer and learning in the Chicago banking environment.	Different types of ties promote different forms of knowledge transfer and different forms of learning. Firms linked via embedded ties tend to transfer private knowledge and engage in exploratory learning.

Appendix 3: Summary of publications on trust

Author(s) & year	Study subject	Methodology	Consideration of trust	Key finding(s)/ contributions
Bennett & Robson (1999)	Use of external business advice by SMEs in Britain	Analysis of large-scale survey	Role of trust in determining which external suppliers SMEs use for advice and extent of suppliers' impact	Level of trust explains level of use and impact of external advice sources by SMEs. Those suppliers with a high level of specialisation and draw trust from professional self-regulation have the highest level of use: accountants, solicitors and banks
Dietz, Gillespie & Chao (2010)	Introduction to *Organizational Trust: A cultural perspective*	Literature review	Complexities of trust and culture	Provide an overview of conceptualisations of trust, forms of trust, trust development, the interactions of trust and culture and approaches to research this subject
Eddleston, Chrisman, Steier & Chua (2010)	Introduction to *Entrepreneurship Theory & Practice* Special Issue on FB Governance and trust in family firms: an introduction	Literature review	Idea of trust as an organising principle for FBs	Argue trust is a governance mechanism and theoretical construct of particular relevance to FBs. Advance trust as a bridging concept to reconcile and enhance understanding of FBs as a unique organisational form.
Eddleston & Morgan, (2014)	Introduction to *Journal of Family Business Strategy* Special Issue Trust, commitment & relationships in FBs	Literature review	Stress that the nature, dynamics, antecedents and consequences of trust in FBs remains underexplored	Suggest need for more research on trust in the FB context, including the dark side of trust
Hadjielias & Poutziouris (2015)	Conditions for cooperative relations between FBs: the role of trust	Case study approach with Cypriot FB cooperative association	Role of trust in the underpinning conditions for the cooperative relationships between FBs	Find that trust is a catalyst for the emergence and maintenance of cooperative relations between FBs. Trust stems from past friendship and values congruence between family leaders to bring them together in the first instance.
Kramer (1999)	Assessment of growing body of literature on trust	Literature review & theoretical	Conceptualisation of trust, benefits of trust within organisational systems, different forms of trust and their antecedents	Body of research has enhanced understanding of complexity of trust in organisations, however, an integrative theory of organisational trust continues to elude researchers

Author(s) & year	Study subject	Methodology	Consideration of trust	Key finding(s)/ contributions
Lewicki & Bunker (1996)	Developing and maintaining trust in work relationships	Literature review & theoretical	Explore definitions of trust and how it is developed, sustained and repaired in professional work relationships	Propose a model of trust development. Identify three types of trust (calculus-, knowledge- and identification-based) which are linked in a sequential iteration in which achievement of trust at one level enables the development of trust at the next level.
Lewicki, Tomlinson & Gillespie (2006)	Interpersonal trust development	Literature review & theoretical	Explore work on measuring trust development over time within interpersonal relationships	Compare and contrast various theoretical approaches and suggest directions for future research
Lyon (2015)	Access and non-probability sampling in qualitative research on trust	Literature review and reflections on own research experience	Role of trust in gaining access to discuss sensitive trust-related issues	Need to pay attention to nature of relationships between researcher and participants in qualitative trust research
Lyon, Mollering & Saunders (2015)	Introduce the updated *Handbook of Research Methods on Trust*	Literature review & introduction to book	Importance of matching research objectives and methods when studying trust	Overview of various methods and methodological issues explored in the Handbook
Mayer, Davis & Schoorman (1995)	Definition and models of trust	Literature review & theoretical	Reviews literature on trust, including characteristics of the trustor, the trustee, and the role of risk	Presents a definition of trust and a model of its antecedents and outcomes based on integrating research from several disciplines.
McAllister (1995)	Affect- and cognition-based trust as foundations for interpersonal cooperation in organisations	Survey with 194 managers and professionals reporting on their working relationships with one another. Statistical analysis of data	Nature and functioning of relationships of interpersonal trust among managers and professionals in organisations, factors influencing trust's development, and the implications of trust for behaviour and performance	Found levels of cognition-based trust tended to be higher than levels of affect-based trust, consistent with notion that some level of cognition-based trust is necessary for affect-based trust to develop. Found each form of trust functions in a unique manner.
Poppo (2013)	Origins of inter-organisational trust	Literature review	Explores definitions of interorganisational trust, perspectives on its origins and development	Identifies directions for future research
Rousseau, Sitkin, Burt & Camerer (1998)	Multi-disciplinary view of trust within and between firms	Literature review & theoretical	Review of trust research, including defining trust, the dynamics of trust, and how researchers model trust	Provide an overview and more cumulative body of knowledge on trust in and between organisations.

Author(s) & year	Study subject	Methodology	Consideration of trust	Key finding(s)/ contributions
Saunders (2015)	Using mixed methods in trust research	Literature review and reflections on own research experience	Use of concurrent mixed methods, combining a card sort and in-depth interview to overcome challenges involved in researching the sensitive topic of trust	Strategies and approaches for building rapport and trust between researcher and participant to support research on trust issues
Saunders, Dietz & Thornhill (2014)	Can trust and distrust co-exist in the mind of an employee	Mixed method: structured card sort & in-depth interviews	Considers whether trust and distrust judgements are symmetrical or whether they can occur simultaneously as different constructs	Find trust and distrust to be perceived as entailing different sets of expectations and having different manifestations, providing some support for the separate constructs argument
Scarbrough, Swan, Amaesji & Briggs (2013)	Role of trust in the entrepreneurial deal-making process for early-stage technology ventures	Inductive, qualitative study using interviews with entrepreneurs	Focus on how entrepreneurs select particular ties and then develop these to support the various stages in deal-making and the role of trust in this process	Find that dealmakers rely on different forms of trust in the early and later phases, with institutional-based trust being more important in the early stages and process-based trust becoming more important in the later phase focused on collaboration. Propose a process model and propositions on the role of trust in integrating strong and weak ties in deal making.
Shapiro, Sheppard, & Cheraskin (1992)	Trust development over time in business relationships	Theoretical	Defining trust; features of business relationships that drive trust development	Propose a model which delineated bases of deterrence-, knowledge-, and identification-based trust.
Smith & Lohrke (2008)	Trust in development of entrepreneurs' venture network development	Literature review	Networks and social capital, importance of trust, trust in the entrepreneur's network development	Propose a model that reflects that an entrepreneur's reliance on exchange relationships based on affective and cognitive trust will vary as he moves through the network development process.
Steier (2001)	Trust as a governance mechanism and source of competitive advantage in FBs	Draws on data from three case studies which were part of a larger qualitative study	Trust origins and trust-building processes in FBs	Argues trust indigenous in most FBs plays a particularly important role in reducing transaction costs but this trust is fragile. Therefore FBs need to work on building and maintaining trust
Sundaramurthy (2008)	Sustaining trust within FBs	Literature review	Draws on the organisational sciences literature on trust to shed light on the role of trust in FBs	"Sustaining cycle of trust" model in the FB context is proposed drawing on the FB and trust literature

Author(s) & year	Study subject	Methodology	Consideration of trust	Key finding(s)/ contributions
Welter (2012)	Reviews literature pertaining to trust and entrepreneur-ship	Literature review	Highlights diversity and complexity of the construct of trust	Calls for future studies of trust and entrepreneurship to acknowledge the bright and dark sides of trust and for more critical analysis of the importance and role of trust in the context of entrepreneurship
Welter & Smallbone (2006)	Introduction to *Entrepreneur-ship Theory & Practice* Special Issue on Trust	Review of literature and articles in Special Issue	Consider elusive nature of concept of trust, the role of trust in entrepreneurship research, and researching trust empirically.	Insight to state of research on trust in the entrepreneurship context
Zahra, Yavuz, Ucbasaran (2006)	Dark side of relational trust in new business creation in established companies	Literature review	Explores the role of trust in the new business creation process in established companies. Addresses under-researched aspect of the dysfunctional effects of trust.	A company's over reliance on trust can have negative effects, constraining the search for radical change.
Zaheer, McEvily & Perrone (1998)	The effects of inter-organisational and interpersonal trust on performance	Quantitative statistical analysis	Trust at different levels of analysis and relationships with firm performance	Find that interpersonal and interorganisational trust are related but distinct constructs
Zucker (1986)	Institutional sources of economic structure in the US 1840-1920	Literature review and historical analysis	Examines key trust producing structures that shaped how the economy, industries and firms were shaped in the US in the period 1840-1920	Proposes a framework with three major 'modes' of producing trust – institutionally-based, characteristic-based and process-based. Relates forms of trust to the information actors can acquire about each other, dependent on their contextual position.

Appendix 4: Interviewee consent form

Addition following pilot phase shown in italics

<u>Consent Form</u>

Name of researcher: Emma Capon

Project: PhD in Business and Management, Royal Holloway University of London

Provisional title of Project: Towards a better understanding of embedded ties: The role of external networks in shaping family business intergenerational succession.

Please read and circle yes or no:

I confirm that I have been given and have read and understood the information sheet for the above study and have asked and received answers to any questions raised. Yes/no

I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason and without my rights being affected in any way. Yes/no

I understand that the interviews will be audio recorded Yes/no

I understand that the researcher will hold all information and data collected securely and in confidence and that all efforts will be made to ensure that I cannot be identified as a participant in the study and I give permission for the researcher to hold relevant personal data.   Yes/no

I agree to the use of anonymised extracts from any documentation provided to the researcher Yes /no

I agree to the use of anonymised data in academic publications arising from the research Yes/no

I agree to take part in the above study.   Yes/no

Name of Respondent:
Signature:
Date:

Name of Researcher: Emma Capon
Signature:
Date:

One copy for the respondent. One copy for the researcher.

Appendix 5: Original letter to prospective participant firms

[address]

[date]

Dear [xxxx]

I understand [xxxx] recently spoke to you about my PhD research on family businesses and you very kindly indicated that you would consider participating. Hopefully this letter will provide you with more details on the research and what would be involved.

I am doing the PhD in the School of Management at Royal Holloway, University of London, and it is funded by the Economic and Social Research Council (ESRC). My CV is attached. I am originally from Northern Ireland and completed a MBA at Queen's University Belfast, which included a dissertation on succession in family businesses. My doctoral research has evolved from the MBA study, hence my continued focus on family firms based in NI/Ireland.

My research is looking at inter-generational succession in entrepreneurial family businesses. I am interested in what makes a transition between generations successful and how the process is managed. In particular, I am looking at the ways family businesses make use of their relationships with people outside the family firm in planning for and managing the transition to the next generation. I am interested in who family business members talk to about succession, both formally and informally, and what information and resources are accessed from external networks that have some influence on the succession process. It may be that interactions with, for example, business advisors, other business owners, or friends/acquaintances had some influence on how the succession process was conceived of, managed or experienced in your firm.
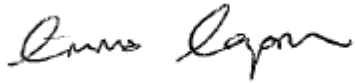
Therefore I am looking to identify entrepreneurial family companies in which there has been a transfer of control to the next generation in recent years which would be willing to participate in the research. I need to meet and have discussions with the key family members involved in the business, as well as any non-family managers connected to the succession process. If possible, I would also like to meet with any individuals outside the firm who are identified as having had a role in relation to how succession was thought about, planned and/or managed. Each discussion would probably last around an hour and would take place at a time and location convenient for you between [dates].

It is important to emphasise that the identity of the company and interviewees would remain completely anonymous in the thesis and all information will be confidential. Anonymity and confidentiality are taken very seriously in the research process and hopefully this will encourage frankness on the part of interviewees.

As an entrepreneurial family business that has successfully achieved an inter-generational succession [name of firm] would be an ideal candidate to participate in the research. If you would be willing to take part I would be extremely grateful and I would provide you with further information about the topics to be discussed in advance of the meeting.

Thank you very much for taking the time to read this letter. I would be happy to discuss further in a meeting or by telephone once you have had a chance to consider.

Yours sincerely,

Emma Capon

Doctoral Researcher
School of Management
Royal Holloway, University of London

Appendix 6: Revised letter to prospective participants

[address]

[date]

Dear [name],

I understand [xxxx] recently spoke to you about my PhD research on family businesses and you very kindly indicated that you would consider participating / I recently met with [name] and he/she suggested that I contact you about my PhD research on family businesses. The purpose of this letter is to provide you with some information about the research to see if you would consider participating.

I am doing the PhD in the School of Management at Royal Holloway, University of London, and it is funded by the Economic and Social Research Council (ESRC). My CV is attached. I am originally from Northern Ireland and completed a MBA at Queen's University Belfast, which included a dissertation on succession in family businesses. My initial interest in the topic was stimulated by the experience of our own successful family business family, [name of business], which was founded by my grandfather in the 1960s and then run by the second generation before ultimately being sold in the 1990s. The impact on the family, the business, and the fact that it did not make it to a third generation were issues that always interested me. My doctoral research has evolved from the MBA study, hence my continued focus on NI/Ireland based family firms.

My research is on inter-generational succession in entrepreneurial family businesses. I am looking at what makes a transition between generations successful and how the process is managed. In particular, my focus is on the ways family businesses make use of their relationships with people outside the firm in planning for and managing the transition to the next generation. I am interested in who family businesses talk to about succession and what information and resources are accessed from external networks that have some influence on the succession process. It may be that interactions with, for example, professional advisors, other business owners, or friends/acquaintances had some influence on your thinking about succession matters.

Therefore I am talking to entrepreneurial family companies in which there has been a transfer of control to the next generation, or a transition process is underway, that would be willing to participate in the research. I would like to meet you and then, if possible, with others involved in the business. The discussion would last around an hour and would take place at a time and location convenient for you in [date].
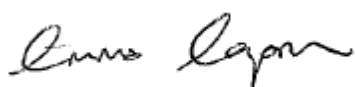
It is important to emphasise that the identity of the company and interviewees will remain completely anonymous in the thesis and all information will be confidential. Anonymity and confidentiality are taken very seriously in the research process and hopefully this will

encourage frankness on the part of interviewees. Please let me assure you that the content of the interviews will not be discussed with anyone else, including other interviewees.

As a successful entrepreneurial family business that has experience of intergenerational succession issues [name of family firm] would be an ideal candidate to participate in the research. If you would be willing to take part I would be extremely grateful and I would provide you with further information about the topics to be discussed in advance of us meeting.

Thank you very much for taking the time to read this letter. I would be happy to discuss further once you have had a chance to consider.

Yours sincerely,

Emma Capon

PhD Researcher
School of Management
Royal Holloway, University of London

Appendix 7: Pilot stage interview schedule (for use with family members)

Introduction

Thank you for seeing me. I appreciate the demands on your time.

As you might recall, my research is looking at the transitions from one generation to the next in family firms. In particular, I am interested in who family businesses talk to about succession and how this impacts on planning for and managing the succession process.

Emphasise confidentiality and anonymity throughout the study.

Seek permission to record

Do you have any questions before we begin?

General firm information

Can you tell me about the history (key miles or events) of [company name]?

Can you tell me some more about the company? [e.g. number of employees, turnover, locations, main markets, ownership structure, management structure, governance, growth]

Do you consider it to be a family business and, if so, why?

What is your position in the family and the company? How has this changed and what does the role involve?

What other family members are involved in the business and what are their roles?

Are you a member of any groups or organisations e.g. professional organisations, hobby/sports clubs, church etc.? What do you get for yourself or your business from each of the groups or organisations?

Process of a recent succession

Can you tell me about the succession – when it took place, who was involved, what happened.

What aspects were in your view critical to the success of the transition process?

What were the main challenges? How were these managed?

External relations pertinent to the succession

Can you tell me about who you discussed the succession process with? Perhaps in thinking about the process, planning it or managing the actual transition?

How did you meet them/how did this relationship come about? How long have you known [x]?

Why did you discuss the succession with this person?

What was/is your relationship with them? How would you describe the nature of the relationship? [How important or close to them are they? Extent of mutual confiding and reciprocity?]

When did you interact with [x] - how often and how much time did you spend with them? [Before discussing succession, during and since]

What form did the interactions take? What was discussed?

What specifically did you get from talking to [x]? [advice, ideas, support, info…]

What impact do you think talking to [x] had on the succession process – how it was thought about, planned or managed?

How did your interactions with/talking to [x] on succession affect your relationship with [x]?

*Repeat for each individual identified. Then ask to rank them according to their influence on the process.

What are your reflections now about the succession process?

Accessing further information

[If not already arranged] Which other family firm members should I talk to?

I'm keen to talk to the people you have identified as having the most important influence on the succession process. Would you be content for me to do that? Would you be able to put me in touch with them?

Are there any documents relating to the succession process that you would be content for me to see?

Would you be content to do another interview in a few months' time if I need some clarification or to follow up on certain aspects of the succession process once I carry out further discussions and initial analysis?

Given what we've discussed today, are there any other family businesses that you think it might be helpful for me to talk to? Would you be able to give me introduction?

Conclusion

Is there anything that we haven't covered that you think is relevant or you'd like to say?

Thank you very much for your time. This discussion has been very useful.

Reiterate commitment to confidentiality and anonymity.

Appendix 8: Revised interview schedule (for use with family members)

<u>Introduction</u>

Thank you for seeing me. I appreciate the demands on your time.

As you might recall, my research is looking at the transitions from one generation to the next in family firms. In particular, I am interested in who family businesses talk to about succession and how this impacts on planning for and managing the succession process.

Emphasise confidentiality and anonymity throughout the study.

Seek permission to record

Do you have any questions before we begin?

<u>General firm information</u>

I have done some online research but it would be very helpful to hear from you something about the history of [company name] – for example key milestones or events.

Can you tell me some more about the company? [e.g. number of employees, turnover, locations, main markets, ownership structure, management structure, governance, growth]

Do you consider it to be a family business and, if so, why?

What is your position in the family and the company? How has this changed and what does the role involve?

What other family members are involved in the business and what are their roles?

<u>Process of a recent succession</u>

Can you tell me about the succession between the generations – the period of time over which it took place, who was involved, what happened.

What aspects were in your view critical to the success of the transition process?

What were the main challenges? How were these managed?

<u>External relations pertinent to the succession</u> [Repeat for each individual identified.]

Can you tell me about who you discussed any aspect of the succession process with – either formally or informally? Perhaps in thinking about, planning or managing the transition?

How did this relationship come about?

Why did you discuss the succession with this person?

What was/is your relationship with them? How would you describe the nature of the relationship?

What form did the interactions take? What was discussed?

What impact do you think talking to [x] had on the succession process?

If not already covered prompt/probe on:

- How long have you known [x]?
- When did you interact with [x] - how often and how much time did you spend with them? [Before discussing succession, during and since]
- What specifically did you get from talking to [x]?

What are your reflections now about the succession process?

General networking activity

Are you a member of any groups or organisations e.g. professional organisations, hobby/sports clubs, church etc.? What do you get for yourself or your business from each of the groups or organisations?

Accessing further information

Are there any other family or firm members should I talk to? [apart from those arranged]

I'm keen to talk to the people you have identified as having the most important influence on the succession process. Would you be content for me to do that? Would you be able to put me in touch with them?

Are there any documents relating to the succession process that you would be content for me to see?

Would you be content to do another interview in a few months' time if I need some clarification or to follow up on certain aspects of the succession process once I carry out further discussions and initial analysis?

Given what we've discussed today, are there any other family businesses that you think it might be helpful for me to talk to? Would you be able to give me an introduction?

Conclusion

Is there anything that we haven't covered that you think is relevant or you'd like to say?

Thank you very much for your time. This discussion has been very useful.

Reiterate commitment to confidentiality and anonymity.

Appendix 9: Interview schedule for use with individuals external to the FB

<u>Introduction</u>

Thank you for seeing me. I appreciate the demands on your time.

My research is looking at the transitions from one generation to the next in family firms. In particular, I am interested in who family businesses talk to about succession and how this impacts on planning for and managing the succession process. [Builds on MBA study]

Emphasise confidentiality and anonymity throughout the study.

Seek permission to record

Do you have any questions before we begin?

Going to start with some more general questions, including about your involvement with [firm], before going on to talk about more specifically your involvement in relation to the succession/transition process.

<u>General information</u>

Can you tell me a bit about your background and experience?

<u>Overview of interactions with the family business</u>

How did you come to work with [family business]? Why did they choose you?

How long have you known the family/family business?

Could you describe for me your involvement with the [family business]?

How has this role/these roles developed over time?

How would you describe your relationship with [family business]?

How would you describe your relationship with each of the individual family members and any key non-family members in the firm? [use names]

<u>Process of succession</u>

Can you give me your views on the succession between the generations in [family business] – how it took place / what happened?

<u>External relations pertinent to the succession</u> [Explore as relevant for each family member]

How were you involved in the transition process?

Why do you think [family member] discussed the succession with you?

How would you describe the nature of your relationship with (a) the firm and (b) each family member in relation to the issue of succession?

When did you interact with [x] - how often and how much time did you spend with them? [Before discussing succession, during and since]

What form did the interactions take?

What was discussed? Were there particular topics/issues that were focused on?

What specifically did you think [family member] got from talking to you?

What impact do you think your engagements with [family business] had on the succession process?

How important a role do you think you played in the transition process?

Do you think your relationship with [family member] changed over the course of the transition process? If so, how?

What did you get out of working with [family business] on supporting the succession process?

What are your reflections now about the succession process?

General networking activity

Are you a member of any groups or organisations e.g. professional organisations, hobby/sports clubs, church etc.? What do you get for yourself or your business from each of the groups or organisations?

Accessing further information

Are there any documents relating to the succession process that you would be content for me to see?

Would you be content to do another interview in a few months' time if I need some clarification or to follow up on certain aspects of the succession process once I carry out further discussions and initial analysis?

Given what we've discussed today, are there any other family businesses that you think it might be helpful for me to talk to? Would you be able to give me an introduction?

Conclusion

Is there anything that we haven't covered that you think is relevant or you'd like to say?

Thank you very much for your time. This discussion has been very useful.

Reiterate commitment to confidentiality and anonymity.

Appendix 10: Participant Information Sheet

This Information Sheet is designed for use with the gatekeeper member of the family business. It will be adapted for use with other interviewees.

Information Sheet

NAME:	Emma Capon
POSITION:	Doctoral Researcher, Royal Holloway University of London
PHONE:	
EMAIL:	

Project: PhD in Business and Management, Royal Holloway University of London

Provisional title of Project: Towards a better understanding of embedded ties: The role of external networks in shaping family business intergenerational succession.

What is the purpose of the study?
My research is looking at the transitions from one generation to the next in family firms. In particular, I am interested in who family businesses talk to about the succession process and how this impacts on planning for and managing the succession.

Why have I been chosen to take part?
You have been chosen given your role and experience in a family business based in Northern Ireland which has experienced intergenerational succession in recent years.

Do I have to give consent to take part?
Yes. This study is based on the principle of informed, written consent.

What will I be asked to do?
You will be asked to participate in a face-to-face discussion with the researcher lasting approximately one hour (and no more than two hours) at a time and place that is convenient for you. If you permit, the discussion will be recorded. If you are content, permission may be sought to undertake a second discussion a few months after the first discussion.

What are the possible disadvantages to my taking part?
No obvious disadvantages. You have the right to withdraw at any point if you wish to.

What are the possible benefits?
The possible benefits include an opportunity to reflect on your experience of family business succession and possibly stimulate some thinking that will be of assistance in the future management of the business.

Will my participation be kept confidential?
Yes, absolutely. Only the researcher and PhD supervisor will be aware of your individual and firm identity. All data will be kept confidential throughout all aspects of the study. It will also be securely stored through use of password protected documents and locked storage of tapes and papers. All participants and firms will be anonymised

for the study and will remain anonymous thereafter and will not be identifiable from the text.

What will happen to the results of the study?
The output from the interviews will be used in developing the thesis for submission for the PhD and academic publications.

Who is organising and funding the study?
The research is part of the Royal Holloway, University of London PhD programme. The researcher has funding from the Economic and Social Research Council to undertake the PhD.

Who has reviewed the study?
The study has received ethical approval from Royal Holloway University of London, in line with the College's ethical procedures.

Who is the contact at Royal Holloway?
The PhD Supervisor is [supervisor details]

What issues/topics will be discussed in the interview?
The discussion will focus on gathering general information about the firm and taking your views about the experience of succession. You will be asked about the people, particularly those outside the firm, with whom you discussed the process of planning for and managing the succession and the impact these interactions had on the succession process.

Thank you for taking time to read this information leaflet and for participating in the research. Your time and interest is greatly appreciated. I am, of course, very happy to discuss this further and answer any questions you have.

Emma Capon
[Date]

Appendix 11: Summary of connections to each FB

Case	Prior connections to FB and/or family	How access gained
Star-Textile (pilot)	Aware of the FB from its profile in local business circles and media. Did not know any of the family members and had not met any of them previously.	My previous boss knew the company Chairman and contacted him on my behalf. He agreed that I could write to him outlining the research. After a subsequent phone call he agreed that Star-Textile would participate.
LuxJewel	Aware of LuxJewel because I went to school with one of the children of the owning family, it is a business with a high profile in the NI jewellery trade, and I have bought items from the business over the last ten years. This was an acquaintance encountered on an infrequent basis.	I wrote to the Executive Chairman asking if he would consider participating in the research.
FuelCo	I was unaware of the firm/family until the consultancy contact suggested they could fit the criteria for my research.	I was put in touch with FuelCo through a contact in a tax and business consultancy in Belfast. His firm had previously provided advice to FuelCo. I wrote to the Deputy Chairman/ Executive Director asking if he would consider participating in the research.
HotelBiz	I was unaware of the firm/family until the consultancy contact suggested they could fit the criteria for my research.	I was put in touch with HotelBiz through a contact in a business consultancy in Belfast. Her firm had previously provided advice to HotelBiz. I wrote to the MD asking if he would consider participating in the research.
CoffeeCo	Aware of the FB as a local business. Did not know the family and had not met any of them previously.	A friend of my brother-in-law knew the company MD and contacted him on my behalf. He agreed that I could write to him outlining the research.
PrintBiz	I was unaware of the firm/family until the contact suggested they could fit the criteria for my research.	A business acquaintance of my brother-in-law knew the company MD and contacted him on my behalf. He agreed that I could write to him outlining the research.
ClothCo	I was unaware of the firm/family until the contact suggested they could fit the criteria for my research.	My father had met the company MD years ago through a mutual business acquaintance and contacted him on my behalf. He agreed that I could write to him outlining the research.

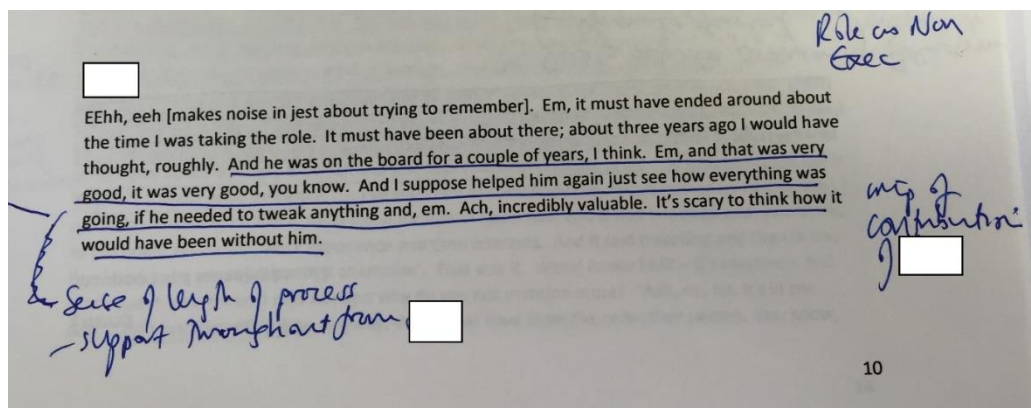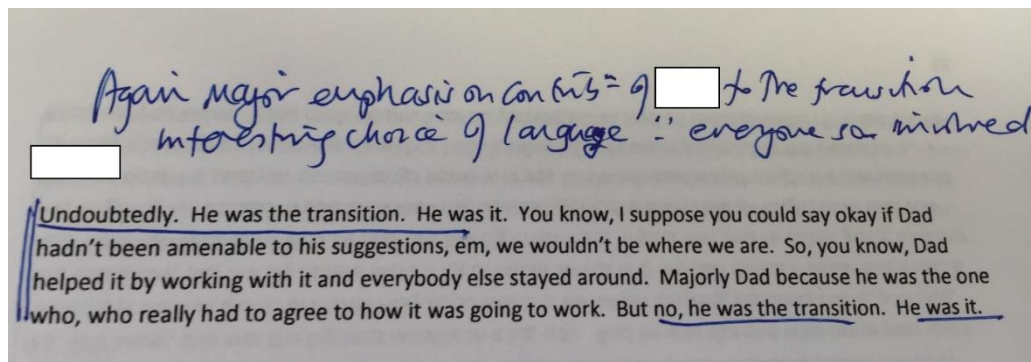## Appendix 12: Diagram of data analysis process

An element of the research objectives was: "to explore how FBs make use of their external relationships in managing succession, including what resources and capabilities are accessed through external ties".

Question within the interview schedule: What impact do you think talking to [external individual] had on the succession process?

Extracts from one of the LuxJewel interviews (Fred3 – MD) with manual annotations, observations and descriptive phrases as step towards coding:

Again major emphasis on contib= g [ ] to the transition
interesting choice of language :" everyone so involved

Undoubtedly. He was the transition. He was it. You know, I suppose you could say okay if Dad hadn't been amenable to his suggestions, em, we wouldn't be where we are. So, you know, Dad helped it by working with it and everybody else stayed around. Majorly Dad because he was the one who, who really had to agree to how it was going to work. But no, he was the transition. He was it.

Role as Non Exec

EEhh, eeh [makes noise in jest about trying to remember]. Em, it must have ended around about the time I was taking the role. It must have been about there; about three years ago I would have thought, roughly. And he was on the board for a couple of years, I think. Em, and that was very good, it was very good, you know. And I suppose helped him again just see how everything was going, if he needed to tweak anything and, em. Ach, incredibly valuable. It's scary to think how it would have been without him.

imp of contribution of [ ]

Sense of length of process
–support throughout from

10

Code to emerge: 'recognition of importance of external help with succession'. Remainder of interview transcript and other interview transcripts from this case examined for instances where this code was applicable. In doing so maintained an open mind about whether code needed refined.

Extract from table grouping all quotations from case transcripts relevant to each code along with thoughts to inform analysis:

Code	Relevant quotations	Notes for analysis
Recognition of importance of external help in relation to succession	…[the succession] has been managed, so far, relatively comfortably but with a lot of help, a lot of help. I hope that all I've said to you has given you an indication of where all of that help has come from…The right individual accountants who've helped as well as all the other people that have been involved. [Eric2 – EC] But, I can't stress too strongly the value of the overall team, the overall management team in here, and also the outside advice that has come along as well in helping us. Cos I think everybody needs that and that's been, you know, very useful. [Eric2 – EC] I suppose when it was all going on I was so conscious of the fact that other businesses, jewellery businesses in particular, from knowing those family businesses they didn't have any type of succession plan like we had. I mean Dad had, I mean the homework that was done, I mean the fact that he got [Ian – consultant/NEBM], this guy to help and the work that [he] did just made it so easy… It made it so easy and, you know, that was the huge benefit, it was a huge bonus. You know, it's a big change for Dad, big change for me, big, big change for [Gina]. And then you think everybody just outside of that…so many people in the organisation…if we hadn't of had that support from the outside, God, it would've been, not that it would have been a mess. But it would have been a lot trickier because [Ian – consultant/NEBM] knew all of the pitfalls and all of the issues that could come up and whereas we would've gone into it fairly blind, although we would've tried to prepare, you know, he was really able to steer us. [Fred3 - MD] And he was on the board for a couple of years, I think. And that was very good, it was very good, you know. And I suppose helped him again just see how everything was going, if he needed to tweak anything. Incredibly valuable. It's scary to think how it would have been without him. [Fred3 - MD] He was the transition. He was it. You know, I suppose you could say okay if Dad hadn't been amenable to his suggestions we wouldn't be where we are. So, you know, Dad helped it by working with it and everybody else stayed around. Majorly Dad because he was the one who really had to agree to how it was going to work. But no, he was the transition. He was it. [Fred3 - MD] I just think really well and without that consultancy, without that advice from [Ian] I don't know where we'd be. [Fred3 - MD] I think Dad's been really good about how he steered the process; that he's taken advice and a lot of people are maybe just too arrogant to bring outsiders in. In the first place, why do we have to pay for it but more why should someone tell me how to run my business? I think that's been enlightening for all of us and certainly opened our eyes to what we should be doing. So I think without that we'd be in a very, our business would be	Openly recognises the extent and importance of help from variety of external sources in supporting achievement of smooth succession. This is echoed by son, especially re. Ian's input – he puts this in very strong terms e.g. 'he was the transition'. Gina describes outside input as enlightening and agrees business would be in a very different place without the input. Gina recognises that Ian did a lot for her personally – supporter of hers. Also acknowledges contribution by Jake to her personal

in a very different place and not just the management structure. So, it's been interesting. [Gina3 – Mktg Dir] But, I think he's been absolutely brilliant in terms of, I think, there are very few people my Dad would listen to and [Ian] would speak to somebody without agenda… yeah, [he] was a very steadying easy man and he's certainly done a lot for me. [Gina3 – Mktg Dir] …[Interviewee J] was great and, in particular, talking about, he helped me with a couple of things…he helped me immensely because…I think I've become a bit more savvy in dealing with people…he's helped me a lot in regards of that. [Gina3 – Mktg Dir]	development and thus, indirectly, to helping the succession process continue on smooth basis.
…this is my honest impression, sure, it's not me being humble. I probably contributed 30, 40% of what they've achieved in the last few years. I mean in terms of the type of the work, not the overall result. Now, I don't think they would have done 30 or 40% of what they're doing now if I hadn't been employed. And I honestly believe that's a positive impact on the business… Hopefully I've contributed something in terms of the succession but also just in terms of the rigour and how they did their business. [Ian – consultant/NEBM]	Ian does not quantify his contribution as being as large as that articulated by family members. Element of his humble nature to some extent

Consideration of code and related analytical memos alongside others to enable grouping and identification of relationships and to move towards coherent first order concepts and aggregation to second order themes. Iterative process to produce a summary data structure diagram. Relevant extract from LuxJewel data structure diagram:

1st Order concepts   2nd order themes

Specific impacts of external ties on succession process:

- Persuaded incumbent of need to view succession as part of wider programme of organisational change
- Drove implementation of wide-ranging structural and relational changes to support transition and development of the business

Recognition of significant contribution of externals to successful transition

External tie impacts on succession: establishing scope & structures/processes

Data structure diagram included in case study chapter (Chapter 5). Findings written up to provide detail on these concepts and themes, illustrating points with quotations. Relevant literature integrated where appropriate. Additional representative quotations provided in appendix.

Following completion of all the case studies work undertaken to develop the cross-case analysis and generate conceptual and theoretical insights.

Appendix 13: Pilot firm representative quotations

Themes	Representative quotations
Importance of privacy & generational differences in openness to external input	"[Name of consultancy], Scottish company, why Scottish? Because apparently Northern Irish companies were always private, and wanted to have auditors who weren't based in Belfast [laughter]" [Adam2 – Chairman] "We didn't want- when all of this was being planned, I didn't want it to be public knowledge that we were planning a change." [Adam2 – Chairman] "It's probably, you know, peculiar to our company, that we've always been pretty independent. And at times that's a good thing, and I think at times that's a bad thing. In most other companies, really, of our size, you know, the sales that we have and the scale that we are, we probably would have non-execs, at least one non-exec on the board. It's quite unusual…." [Bill3 – MD] "I spoke to my mother. She was, she had MS, and wasn't well, but again she always had, you know, a great passion for the company as well. She always wanted to see it doing well, she was proud of it and things. But I was conscious that I didn't want to overload her…" [Bill3 – MD] "I suppose I would have talked to my Dad if I needed advice about things generally speaking." [David4 – Sales Director] "Yeah, and, and again, you know, I would ask my father what he thought, and generally I would defer to that." [Clive4 – US VP]
Strong incumbent-successor relationship	"[Name of uncle] was the one who, particularly when I wanted to come into the company, he was the one who facilitated it, and then, you know, decided it would be best to go to [place] to learn the technical skills before coming in. And then the one, to be honest, who said, 'Now you've done that, you've got to start at the bottom'…but was always there for a chat…So you know, somebody good…since I started, he's let me get on with it, and is there to talk to when I want to talk to him." [Bill3 – MD]

Themes	Representative quotations
Nature of relationships with external individuals influenced succession process	"…I meet him now and again. He's, you know, a very astute individual…You could have a real family chat with him." [Adam2 – Chairman] "You're probably wondering why I didn't take the [name of consultancy & consultant] thing formally any further. It was a bit naughty, because I thought I'd learnt all I needed to know from him, so we just did it ourselves rather than paying for him…" [Adam2 – Chairman] "Anyway, I should say that he wanted me to sign up for full consultancy and I finished off my letter back to him, saying, 'Engagement letter, I've not signed this, as yet, because I think we need to agree how best to proceed, if at all, establishing that wishes of the shareholders, blah de blah de blah.' Anyway, that was in response to his letter, so we thought we got enough from him; we didn't need to take it any further, with him…we did it ourselves rather than him doing it" [Adam2 – Chairman] Researcher: "And how long overall was the sort of relationship with [consultant]?" Adam2 – Chairman: "Not very long, not very long, no. I should say- I mean, he came to visit a couple of times so probably over a period of less than six months, I would think; maybe three months."
Tie function & utility: multiple resources through external ties to support succession	"And we were kind of thinking, you know, 'What's going to be the future? Will there be other younger members who want to come in?' or 'how will we get interaction between- and a formal relationship between the, you know- the ones who are working, and the ones who are not working?' That's covered in [consultant's] spiel there. [Adam2 – Chairman – gesturing to letter from consultant]. "I suppose it was prompting us to say, you know, 'Think about the future.' Think about who's going to be doing what, and, you know, 'Are you going to be selling? Are you going to be doing the business?' You know, 'Do you need to bring in somebody from outside?' [Adam2 – Chairman] "…the issues set out above regarding the succession planning of the family shareholders need to be considered…whether or not you are going to allow members of the family who are not active in the business to hold shares in it…" [extract from letter from consultant to Adam2 – Chairman] "…Reinforcing the message, I think…the need for thinking about relationships between family members." [Adam2 – Chairman] "…the work I will undertake will attempt to guide you…the areas to be addressed are as follows…" [extract from letter from consultant to Adam2 – Chairman]

Themes	Representative quotations
	"Unfortunately I don't think you can answer this until you more clearly define the roles that you see in the future for these individuals. Broadly, members of the family who operate in the business can undertake several roles…[outlines roles]…" [extract from letter from consultant to Adam2 – Chairman] "We, because of the interaction with [consultant], I think that started us thinking, in terms of structuring the business, in such a way that there would be good relations with the shareholders and, particularly conscious of the fact that the shareholding would be dissipating as it moved into the third generation which, of course, it has done now, so we, at that time, set up a shareholder council." [Adam2 – Chairman] "And it was he [the consultant] who suggested the idea of setting up a formal relationship with the rest of the family and encouraging through a council, sort of social gatherings and that sort of thing, as well as formal reporting. So we've been trying to do that." [Adam2 – Chairman] "…well, I think it did trigger fairly quickly the thought of a shareholder council. I can't remember exactly; I need to look up and see exactly when, we did put that into effect but it was not long afterwards." [Adam2 – Chairman] "One of the outcomes of the exchanges with [consultant] was the setting up of a 'shareholder council' to promote communication with family members (now shareholders too) who are not employed in [the business]…" [extract from email from Adam2 – Chairman] "…he [consultant] produced this, sort of, I don't know whatever it would be, it might have been six points, it might have been fifteen points, I don't know, but 'These are the things that you should think about doing', and a lot of them actually had already been addressed." Clive4 – US VP "…what he was pointing out is the importance of- if you were bringing family members in that they are brought in on a fair basis. In other words, not on a preferential basis; that any preference they would have would be through paying with dividends; not through salaries or any special terms and conditions. So we've stuck very- not that we were going to do any different anyway, but we've stuck with that." [Adam2 – Chairman] "You have listed the various issues under the 12 factor framework and it is pleasing to note that we have already addressed many of the major matters arising." [extract from letter from Adam2 – Chairman to consultant]
Tangible impacts of external relationships on succession process and outcomes	"You've got to grasp the nettle, you've got to bring people together. Ask them what they want to do, how they want to do it. Do they want to be part of the future? Do they want to be involved as shareholders, in the future? If only a shareholder or if it would be your ambition to join the company?" Those are the sorts of things we've talked to, with shareholders and various family members, over the years." [Adam2 – Chairman]

Themes	Representative quotations
	"We also agree that the question of ownership and future transfer of ownership control is a separate issue." [extract from letter from Adam2 – Chairman to consultant] "So they did consult with [consultancy firm] who were our advisors at the time… And they created this thing called the Shareholders' Council…that's basically a forum for everyone to be able to express their views, and be brought up to speed about what's going on and, you know, what essentially management is doing with the stockholders' fund." [Clive4 – US VP] "One of the main issues we discussed was how best to integrate this generation into the strategic thinking that you and your brothers undertake and also how to integrate them with the non shareholder managers employed in the business." [extract from letter from consultant to Adam2 – Chairman] "We, because of the interaction with [consultant], I think that started us thinking, in terms of structuring the business, in such a way that there would be good relations with the shareholders and, particularly conscious of the fact that the shareholding would be dissipating as it moved into the third generation which, of course, it has done now, so we, at that time, set up a shareholder council." [Adam2 – Chairman] Researcher: "…in terms of your own transition into that directorship role. How did that come about?" Clive4 – US VP: "That was a direct consequence of them consulting with [name of consultant]…he said, 'You know, if you want- if you have active family members in the business and you feel that they would be capable of taking on an executive role then maybe you should consider appointing them to the board, and then - if nothing else – it gives them experience of the decision making process within the organisation as it existed at the time.' And, and so that was how I ended up being on the board." [Clive4 – US VP] "…I think it is worthwhile considering either bringing them round the table as observers or forming, as you call it, a shareholder advisory board on which they would sit. In this way they would have exposure to the senior executives who have to explain and discuss their actions with these members of the family. This will be an educational process for those chosen to go on this board but in my view it will not be the ultimate test as to whether or not they are capable of running the business." [extract from letter from consultant to Adam2 - Chairman] "Broadly, we believe that there should, over the next 5 to 10 years, be a progressive transfer of Holding Board (ownership) control of the business to working shareholders representing the 3 family shareholding units…Our current view, following our discussions with you, is that the best way to achieve this is to have an interim arrangement whereby the 3 working shareholders representing the 3 main family shareholdings should be prepared and trained for the role of Holding Board members…" [extract from letter from Adam2 - Chairman to consultant]

Themes	Representative quotations
	"Dad had this philosophy, although I don't think it was generally shared amongst the family at all levels, but if you're going to be in the family business you've got to be an asset to the business and you've got be treated the same way as everybody else…" [David4 – Sales Director] "In particular we agree that family shareholders working in the business should be treated in the same way as any other employee and any progression or appointments should be on merit and ability only…" [extract from letter from Adam2 – Chairman to consultant]

Appendix 14: LuxJewel representative quotations

Themes	Representative quotations
Varying nature of familial ties impact on succession process	"…this is going to sound very, very faux, it's not, this is total truth. When I first moved to Madrid I was really shit scared and didn't know anybody, didn't know the language, didn't know the culture, was freaking out…Dad came over and gave me a really strong, serious pep talk and said you either stick this out and make this work and become a real man and go for it or you fail, it's going to damage your career and your degree and you come back to the business and you never make anything of yourself, what do you want? It was like a real proper turning point and a real good serious chat. And ever since then, ever since then, this is going to sound, as I say, fake and it's not, my Dad is my best friend, he is everything in terms of support just from having that and making that turning point in my life it means a heck of a lot…I trust him completely." [Fred3 - MD]
	"And, you know, he was the one actually at that time in Madrid, and I always talk to him about it, who came out. Cos I was going to leave, I was going to quit university, because I was in Madrid, again, didn't know anybody, didn't speak the language and just walked into a job where they said if you don't speak any better Spanish you're going to be out within a month…And he was the one who came over and I remember we had a chat …there were a lot of swear words and my Dad doesn't swear but it was a very frank conversation. And he said this is a big crossroads in your life; you're either going to fail or you're going to succeed. You either man up, he said, you can either…go home and you can work your way through the business and one day you might get to a high level but I don't think I'd ever want you leading the business because, you know, if you can't do this how do you expect to lead all those people?...Or you can go here, you can try, if it doesn't work after three/four months well at least you've tried but, you know, don't make yourself a quitter. It was quite a frank conversation and that's, you know, the rest is history. And I don't mean that in a kind of 'oh, look at me now'. A massive turning point in life, huge turning, huge, huge, huge. So, that, you know, from that our relationship has been, not that it was ever bad before, but…[it] was a big, big turning point. So I think ever since then I've always been able to talk to him about anything, anything." [Fred3 - MD]
	"But he's still very much the boss in the business and my role as Managing Director, we have a great relationship thankfully. We'll always cross on certain things and that's good that we can talk about it rather than brush it under the carpet." [Fred3 - MD]
	"…it's awful because my Dad's a very, very straight, honest man, but I think I was just terrified I would be screwed over. Which is awful to think. And, yet, I know he wouldn't do that to me. I just, I think he felt, you know, if you're financially secure and looked after that's enough for you. But, we're all educated in a similar way and you're brought up to, sort of, expect more and to do more and to want to be involved and, you know, you work hard…" [Gina3 – Mktg Dir]
	"With everybody in the business [Ian – consultant/NEBM] made them sort of do these questionnaires and he spent a long time, he must have spent about an hour chatting to everybody in the business and finding out really what sort of motivated them…he came back and said to Dad afterwards you couldn't find a better person to do your marketing because that's really what drives her. So, I feel a bit vindicated fighting for something…I was working remotely for I think two days a week and based in Belfast two or three days a week because I live over here [Scotland], which was

	also another big thing: would I stay or would I go whenever we moved back to Scotland? And because I think Dad didn't believe that anybody could work remotely in the business. And it was, I think, down to [Ian] again who – he's like our family shrink [laughs] – who said, you know actually this can work; she's not customer facing." [Gina3 – Mktg Dir] "[Fred3 - MD] became a director before I did. It really sort of upset me and I sort of had to sort of struggle with them, it sounds awful, to become marketing director. And again with [Ian]'s sort of help easing the way." [Gina3 – Mktg Dir] "[Ian – consultant/NEBM] has been, I think to be honest, without [him] I wouldn't be in the business and I've told him that quite plainly. And he's been, I think, a big, I think a big supporter of mine… You know, I knew there was a way to do my role remotely but Dad would never have believed it had it not been, I think, for [Ian] saying. I think sometimes families get very emotional." [Gina3 – Mktg Dir]
Valued external input – multiple stakeholder nature of succession process	"I thought it was time we did something in terms of really having a real look at the structure of the business and the succession and one thing and another. I had, if we go back a little back further, I had thought that the time maybe was right to bring a Non-Exec into the business to sit on the Board and suppose we got that in the early 2000s." [Eric2 - EC] "And an envelope dropped through my door from an organisation called…Vistage…The basis of it is is that there is a local Chair and he gathers together Chief Executives from…non-competing businesses…who come together and they give up a day a month to listen to…world-class speakers about various things to do with business, with quality of life, all sorts of things, and then to share problems…then there's paperwork that's got to be put in setting out what one is actually doing, what business problems you face, what personal problems you face, and it is a unique organisation and I found it hugely valuable and this was the first group that was founded in NI…" [Eric2 - EC] "…[the succession] has been managed, so far, relatively comfortably but with a lot of help, a lot of help. I hope that all I've said to you has given you an indication of where all of that help has come from…" [Eric2 - EC] "[Vistage is] a fantastic organisation…it was very helpful having a group of your peers plus an independent chair who really is not in any way beholden to you. So, if you go to your family, you know, they will be obviously supportive of you. If you go to your accountant or whoever your financial advisor is they're a paid advisor so sometimes it's hard to get absolutely impartial advice. And it was very helpful from that point of view plus learning business skills etc." [Eric2 - EC] "…that's why having this guy [Ian – consultant/NEBM] who came in for our restructuring. It's all directly related to Vistage. Again, not that the contact came from there but it's thinking in that way." [Fred3 - MD] "I think more and more people are waking up to the fact that there are individuals that you can get advice from ….I think finding the right individual is pretty tricky. I think, yes, he [Dad] is forward thinking…" [Gina3 – Mktg Dir] "[Eric2 - EC] does put a lot of time into talking with senior management people in the firm, but taking, he's not afraid to take outside business advice. He's happy to pay for it. He's not afraid to take recommendations on board, and to challenge them." [Harry – external accountant]

"The firm is well managed. Quite unusually for a local small, family-owned business in the Northern Ireland context they were not adverse to spending decent money on training for the staff, training for managers and indeed on outside professionals for advice and continue to be that. Quite unusual. You will find that, as you know, in a much larger organisation where people value professional input. [Eric2 - EC] was very aware of that and never shirked on spending on money on getting hopefully the right people in to advise him… They are quite unusual and I do repeat that to [Interviewee E] and find him very good to work with because they respect the professional advice. We're not always right. Obviously they know the business much better than any of us ever will." [Harry – external accountant]

"[Name], whose business I just worked as a, cos of the visa situation in the States I couldn't actually officially work for him so I just shadowed the staff. But it was great experience and [name] was the owner of the business. He's since passed away but he was a real positive influence, you know, in terms of how to lead people…" [Fred3 - MD]

"…then went to [company name] and although a superb experience learnt not how to do it; not how to treat, how not to treat your staff… A real learning experience, real learning experience… so, a lot of learning, a lot of learning taken from that. I suppose all of those stepping stones have been in different ways, have taught me different things, you know, that are quite significant now, actually very significant now in terms of how I try and do things." [Fred3 - MD]

"I think probably my last general manager who in [name of company] and the director I reported into had an influence as well. In just a completely, a different industry, a very different way of looking at things. And sometimes, I think, great displayers of 'I don't give a shit attitude' which sounds absolutely awful but, I think, maybe not to sweat the small stuff." [Gina3 – Mktg Dir]

"…I know of a business that I know very well where the father…a terrific family business…where the father had three sons and daughter and he gave the shareholding of the main part of the business to the chosen son and his daughter equal shares and then a tiny shareholding to the MD of the business who was holding sway and to the other two sons he gave smaller businesses, if you follow me. He died very young and the chosen son bought out the MD, ruined the whole business. The daughter got absolutely nothing and the thing was a total disaster and he would be spinning in his grave had he realised what had happened." [Eric2 - EC]

"…there's maybe one other, maybe two other members in [the Vistage group] who are in family businesses out of the seventeen that are in the group, eighteen that are in the group. And sort of learning from some of their, taking on board I suppose subconsciously some of their situations, some of their struggles." [Fred3 - MD]

"…it's interesting that contemporaries…they are generally contemporaries of Dad's who are in this [jewellery buying] group and you can see their children now coming through this and them all sort of going through the process that we have and the new generations coming on. So, yeah, people do tend to talk a lot about it…" [Gina3 – Mktg Dir]

	"At the end of the day, it was really my decision about what we would do in terms of succession and, you know, we were even contemplating skipping a generation in terms of the shares really going into the future to try to make sure that everything worked out alright. I was very aware, as I told you, of the [name] family…people going into something they didn't want to go into." [Eric2 - EC] "…because I has seen people who had been in family businesses and one family in particular who I would think of which was a substantial business locally and two sons who never wanted to go into it just had no choice but went into it. And they spent their whole lives in it and they didn't, it wasn't what they wanted to do. So I said, I said to our kids that there's going to be no compulsion for you to go into the business and if you want to come in you've got to be good enough." [Eric2 - EC]
Existing ties utilised to extend network to trusted others to support succession	"So there are various ways of looking at things [in relation to succession] and I went to a friend of mine in the jewellery trade and got some advice from him and went to somebody who had worked on the structure of his business and what would happen in London, a lawyer, who was very helpful and gave me quite a lot of advice about how to structure things." [Eric2 - EC] "…got the advice from [accountancy firm], been to London, and I got that introduction through a friend of mine in the jewellery trade." [Eric2 - EC] "…what had happened was we had a forerunner of [Harry – external accountant] who is our accountant auditor at the moment who I'm very close to. His name was [name] and he was with a big accountancy practice in Belfast and then he swam against the tide, he went out on his own. He looked after us in terms of financial advice and bits and pieces like that and then he grew a bit weary of being a sort of auditor and went more as an adviser. And he got an office in [name of big accountancy firm] and then he got [firm] to look after us." [Eric2 - EC] "…through a charity I was involved in I heard of a business guru who had been very involved helping a local business grow in terms of personnel, putting the right people into the right jobs. I made an appointment to see this chap and he is a business psychologist, a Geordie from the North East of England…" [Eric2 - EC] "…I had a client, a very good friend of a, of a big business in North and South Ireland and he knew [Eric2 - EC] and something, we were doing charity stuff together and my friend asked me to attend this lunchtime thing with [Eric] there. I think he invited all the trustees of this charity, he wanted to tell them some stuff I'd been doing. So I attended that and I told them what we'd been doing with the charity, and [Eric] was there and [he] said, 'I think you could help me in my business…'" [Ian – consultant/NEBM] "[Ian – consultant/NEBM] asked me to- initially, to see [senior LuxJewel manager] and from that- and then subsequently asked if I would- if I would see [Gina3 – Mktg Dir] as- as well. [Ian] may talk to you about [name of another family business] as well, which is…The scale is also a strong family business. And I did quite a lot of work, again, for [Ian] with quite a lot of their managers…So, I mean, I get the scene… [Ian] and I go back a long way; we've been friends and colleagues for a very long time… [Jake – external mentor]

| Tie utility: multifaceted resources accessed through external ties to support succession | *Impartial and experience-based advice*:

"If go back then to the psychologist bloke I brought in, he was terrific and he did psychometric testing and met with all my management team…he was looking at was the characteristics, the skills, the abilities, the weaknesses of our management team and who was in the right slot and who was in the wrong slot…At the same time he did a Q12 on our business: Q12 is a Gallup based study that lets you know the amount of buy-in from your team… this is something that is developed by Gallup that thousands of companies around the world do it so there are comparisons with different companies, with different sectors, in terms of comparing your results." [Eric2 - EC]

"But I think the fact that Dad went to the limit, went to the level of doing… psychometric testing…we just thought it was being done all as part of putting in the new structure but in fact it was also all about looking forward. I think the fact that he went to all those of lengths, had [Ian – consultant/NEBM] come in as a non-exec and really understand the whole business. You know, what would Dad have done if [Ian] had said, 'right [Gina3] is the one to run this business, [Fred3] doesn't have the capability?' He'd really have to go with it if he's going to that length." [Fred3 - MD]

"Any times I needed advice…he was always there for advice… we would have met up for lunch, you know, as part of a chat. And I suppose what he was doing was always very soft." [Fred3 - MD]

"…but overwhelmingly it's about having somebody, from outside, who's got no axe to grind. That's the biggest single thing, of anything, I think, of using third parties, from outside, inside the business. Whether it's, you know, with the reorganisation that [Ian – consultant/NEBM] did, where you're going to be more clear eyed, about what the realities of it are perhaps, from the outside or whether it's about mentoring relationships, and individual sort of personal issues." [Jake – external mentor]

"But I guess my relationship there was as an independent outsider looking at the business. I was able to pull [Interviewee E] back a few times, in the brink of making bad investment decisions that could have been very costly for the business." [Harry – external accountant]

"Well, it was in terms of taking advice of how best to go about this and setting things up. Initially I tended to turn to our accountants at the time for advice about how to do things. I then went to a firm in London to seek advice about the best way to do things…and it can get desperately complicated." [Eric2 - EC]

"Being able to get advice from people who didn't have an angle. If you go to your family, they are very supportive of you, if you go to your accountant, you know, they're pretty supportive of you as well, but if you have an issue and you want to get really good advice that is totally straight down the middle this is unique organisation [Vistage] that provides that advice. I've found it very useful." [Eric2 - EC]

"[Vistage is] a fantastic organisation…it was very helpful having a group of your peers plus an independent chair who really is not in any way beholden to you. So, if you go to your family, you know, they will be obviously supportive of you. If you go to your accountant or whoever your financial advisor is they're a paid advisor so sometimes it's hard to get absolutely impartial advice. And it was very helpful from that point of view plus learning business skills etc. [Interviewee E – 2nd Gen – Executive Chairman] |

"…I would have had a fairly strong influence on the participation of the respective son-in-law and daughter-in-law in the firm…I think certainly their roles within the firm would have been discussed with me, and hopefully I gave, I gave some solid and sound advice on that front… I would have worried about the dilution of the share ownership." [Harry – external accountant]

Broadening perspective and triggering wider action:
"So that [legal advice] together with the work that [Ian – consultant/NEBM] did really stirred the pot and laid a much better foundation for the company." [Eric2 - EC]

"So he basically needed to improve two things: the people side of the business, he needed to manage his people better. And also the systems side: he needed to make sure that was a systematic approach to managing his business which both sides would be, I mean not weak, but certainly needed improvement." [Ian – consultant/NEBM]

Issue identification and analysis:
"If go back then to the psychologist bloke I brought in, he was terrific and he did psychometric testing and met with all my management team…he was looking at was the characteristics, the skills, the abilities, the weaknesses of our management team and who was in the right slot and who was in the wrong slot. And he did a terrific job and whenever he met with them and told them their results virtually everybody said 'you got me absolutely spot on.'" [Eric2 - EC]

"Every single thing I'd mentioned he'd put down but he said 'I think we ought to go further. You did talk about your team and I think we need to talk to your team' and he talked about the Q12 and things like that. So it ended up he came in, he interviewed all our managers, and did a profile on them, which he gave to me." [Eric2 - EC]

"So before I saw [Gina3 – Mktg Dir], formally, the first time, [Ian – consultant/NEBM] gave me the data that we had, I mean- what testing he'd done, some of it hadn't been done. I got the data, talked to him, and I also- I also talked to, interviewed the key players, the directors, and one or two other people, in LuxJewel… [Gina3] knew I'd talked to people about it, because I wanted to see what from their perspective, what the issues were that one should be addressing, in all of this, and what the issues were about her going on as director… I wanted a more- a perspective from further round; it's much too important not to." [Jake – external mentor]

"…there were certain things that I wanted to make sure we covered, so I would have an agenda…And I like to come out of these things normally with, okay, three things; I mean, pretty limited stuff I know, but, 'Three things that, before we meet next time, you are going to have a crack at doing, and see if you can improve the relationship with this person, or see if you can improve the planning of this particular thing, or see if you can get a system in where people know when you're contactable…'" [Jake – external mentor]

"There's lots of those incremental and what look like bureaucratic steps which I'm a big believer in. If you do those, at least people can go back and see why you did stuff. You know, why is [Fred3 - MD] getting a big rise when he becomes MD? It's because here's his job description, and

here's what it's worth. Here's what it's worth within the [LuxJewel] business. Here's the market research that shows this is the sort of salary that's commanded in Belfast…It's evidence based stuff…" [Ian – consultant/NEBM]

Solution development:
"And [Ian – consultant/NEBM] said that after having talked to you I think we need to take this further and I think you should be doing all these various things." [Eric2 - EC]

"…there has been a tremendous amount of structure going into the business which has helped us through what have been very, very trying times. So as this guy [Ian – consultant/NEBM] who was helping me, also helped me in terms of the succession. So we were planning certainly a year in advance for [Fred3] to become MD which he did in March 2012, for me to become Chairman, for how the roles…I mean, very specific what the roles would be, that each of us have and I'm the one who really mentors [Fred3] to a degree in as formal a way as possible." [Eric2 - EC]

"…whenever [Ian – consultant/NEBM]…I met him for the first time back in 2007 and…I brought him to advise me about the roles that our kids would have in the business and how best to develop it etc. And he came back and felt that there was more that could be done and he got very involved in the business; joined the board for a number of years. And he restructured, helped us restructure the company…He also brought in a methodology for measuring the, sort of, morale in the business…so he did quite a lot of things for the business…" [Eric2 - EC]

"I came up with some solutions it was like, 'You need a senior management team. Not you, [Eric2], a senior management team.' This is true of half of England or of family businesses. You've got to divorce the shareholder type role from the executive role. They don't like to do it but, you know, they need to do it. So you need a senior management team to manage the day-to-day business." [Ian – consultant/NEBM]

"I would have assessed [Gina3 – Mktg Dir] and developed that marketing manager role. She would, she would have done something approaching that but not, so I just condensed it into, 'This is a real role, here's your job description, here's what you have to do.'" [Ian – consultant/NEBM]

"…I designed it because it helps [Eric2 - EC] do what he needs to do. It helps [Fred3], actually as MD now, it helps [Fred3] pick the brains of his father which I say is worth picking, you know? There's so much in there…you need a mechanism and the board was designed for that, the mechanism to get that stuff out, to make sure it didn't go off the rails." [Ian – consultant/NEBM]

"So you've got to design something that's designable so that she can do this remotely… I write the job description so as to help them work…" [Ian – consultant/NEBM]

Convincing, validating and reassuring:
"Great thing about [Ian – consultant/NEBM] was, you know, he wasn't just in to bring me on as MD, he was in to figure out who was going to be the MD because it might not have been me; might have been [Gina3 – Mktg Dir]; might have been [names of professional managers]. You know, it was about, it wasn't about bringing the next generation through; it was about finding the right person. And Dad went through all of that paperwork with me and showed me, you know, why I was the right one which gave me huge amount of confidence… You know, cos otherwise I'd

still be sitting going here going listen I'm only here because of it's my name above the door whereas, yes, there will always be an element of that – it's a family business – but I've seen all the analysis that was done…that was a great confidence booster and it always makes you realise, you know, things were done right." [Fred3 - MD]

"I think in his [Eric2 - EC]'s mind for a long time probably I would go into the jewellery buying side…so that was a sort of a hurdle we overcame and it was only with [Ian – consultant/NEBM] who I think Dad has told you about who came into give a lot of help on the restructuring side of the business where he interviewed all of us who work in the company sort of trying to get an idea of everybody's strengths and what motivates them and I suppose to a small degree their weaknesses as well to make sure everybody is in the right role…I think it was only [Ian] that confirmed to Dad that you couldn't get a better person having a hold on the brand from such a young age and understanding of it that sort of maybe convinced him…" [Gina3 – Mktg Dir]

"[Fred3 - MD] became a director before I did. It really sort of upset me and I sort of had to sort of struggle with them, it sounds awful, to become marketing director. And again with [Ian – consultant/NEBM]'s sort of help easing the way." [Gina3 – Mktg Dir]

"I think in the case of me [Ian – consultant/NEBM] said it was possible [laughs] – she won't destroy the company if you let her become a director… I think he listened and he understood where I was coming from, whereas Dad and [Fred3] would say 'don't be ridiculous but, you know, you're going to own half the company' [laughs]. But that really wasn't, sort of wasn't really the point. It was that, I think, that you're sort of, your concerns are made to feel valid…" [Gina3 – Mktg Dir]

"…with [Gina3 - Mktg Dir] it was always trying to get her to feel comfortable because she would probably have the view, and I'm speaking for her here, she'd probably have the view that unless you worked long hours and could beat other people at their knowledge, you didn't deserve the role. I, you know, you can actually design a role to fit the goal but what you've got to do is be able to convince the [family members and directors] because [they] would take convincing. Just like I said, [Eric2 - EC] would take convincing that you couldn't do marketing the way they'd always done it. But, I would say it was much more on a personal level with [Gina3], convincing her it's legitimate. You can match your personal goals with the company goals…You just put your head around what the heck you can do on a part time basis or a remote basis, more to the point." [Ian – consultant/NEBM]

Tempering emotions and tensions:
"…you had to start that expectation stuff, 'cause they, they did at times have a slightly, I mean there's nothing, honestly I'm seeing a hundred times worse, but you could tell there was a little bit of potential friction. Of course, like you say, every family, every family has it… you've got to deal with those family dynamics, otherwise that succession is going to be catastrophic…" [Ian – consultant/NEBM]

"…[Jake – external mentor] was great and, in particular, talking about, he helped me with a couple of things that there would be. We've a couple of difficult personalities in the business… so I think [Jake] helped me a lot with things like that and they sometimes were the simplest things but whenever you're in it you can't really sort of step out of it and see it… he helped me immensely because I feel like I managed that relationship better, knowing more what sort of drives her and what motivates her. And I think I've become a bit more savvy in dealing with people that are

maybe, I don't know. I'm quite, see I'm very black and white and don't tend to hide things…he's helped me a lot in regards of that… He helped me with sort of the relationships and sort of to, to just, to try to just give me an insight, you know, what sort of drives people…" [Gina3 – Mktg Dir]

"…there's a bit of internecine strife going on in the family…so there was all this shit around, and you're pulled every which way. And I do think that for- for young women now, these days, the pressures of family, career, the rest of your life… This expectation that you can have it all…And I really, really feel for people in this situation so, if you like, I'm naturally sympathetic, towards the situation. I mean, 'Okay, how can we help?' I mean, there was some sympathy..." [Jake - external mentor]

"I hope that the contacts with [Ian – consultant/NEBM] and the- if you like, the signals that moved around the organisation helped to smooth things out a bit, and knock some of the edges off. Because there were some edges, I mean, as it was going on." [Jake – external mentor]

"So I would see my role with [Eric2 - EC] very much as one that we need to make sure that, for the next 20 years, that we've got a solid base for the LuxJewel's business to continue and to grow, with no animosity and friction amongst the family." [Harry – external accountant]

"And, you know, sometimes you, you had to, have succession planning that categorically involved in terms of building a relationship between those two as well, [Fred3 and Gina3]." [Ian – consultant/NEBM]

"…psychologists often have this expectations theory, so, you know, if you have a relationship problem, one of the ways to tackle it which I find works well in businesses, you just, you say to one person, so, you know, if you could have a great relationship with that person, what would be your expectations? What would they do that would actually that would actually just make you think, 'Ah, yeah, that's good, that's just what I wanted.' And you do vice versa, you know, so: what would that, what would it look like if…[Gina3] tell me, 'what would it look like if [Fred3] just did everything that you wanted him to?' Because you can imagine when relationships start to get a little bit fractured, people will say, 'But you just don't, it just don't, it's just been, you know, he never tells me anything.' You know, it's the usual people stuff, isn't it?...You know, we just, you oil those communication wheels… And you just keep going from one t'other, like I did. I meet [Gina3 – Mktg Dir] in Edinburgh, we chat about stuff. I meet [Fred3 - MD] in Belfast and keep going till you've got some sort of…get a better understanding of where they're coming from… just encouraging them to keep, it'll work, we'll get there. So you have to keep, you have to keep turning the screw…" [Ian – consultant/NEBM]

Mentoring and supporting personal development:
"Well, he [Ian – consultant/NEBM] became a close friend. And, you know, he and his wife have stayed with us in Spain and, you know, we would meet socially when it's possible as well. But an extraordinary business mentor and a real understanding of people." [Eric2 - EC]

"…the coaching really came from Vistage…" [Fred3 - MD]

"[Vistage is] brilliant for its support and for learning…it's about personal development…it's been so, so important… The learning has been the, especially going into the Managing Director role…you know there's somebody there, you know there's somebody there to tell you when you're doing wrong but there's somebody there to praise you when you're doing it right and keep you in check…it gives you that real strong accountability through the chairman who gives a one-to-one with you every month, you know, you're kind of pushing each other in what you're doing. You know, everybody knows generally what everybody's driving for, be it in work, be it in family, be it outside of that, and it's just a superb support network. It's so vital, so, so vital."   [Interviewee F – 3rd Gen – Managing Director]

"I mean I remember going through the emotional intelligence stuff with him [Ian – consultant/NEBM] and he helped me with that, you know, just understanding, you know…" [Fred3 - MD]

"…so I would have spoken to him maybe once a month or even casually if he was in Belfast or phoned him if there'd been an issue. And he would just, he would have chatted through. I think speaking to [Ian] there are some people, you know, that you come across in life and they are very good listeners and you would almost feel like the weight of the world had been taken off your shoulders after you speak to him. And he'll just help you sort of see things… it was more of a sort of a business mentoring that." [Gina3 – Mktg Dir]

"… Because he has such great networks in terms of management consulting and all sorts of different things that he could tap into people that we would never have found. Because it's very easy to find people but you might not necessarily find the right ones. And from doing what he's been doing for the last thirty years he would know, you know, who's good and who's not. So, he brought a lot of structure to it and he brought the right people I think into help us." [Interviewee G – 3rd Gen – Marketing Director]

"And [Ian – consultant/NEBM] actually helped [Fred3] and I as well with regard to that. Whenever [Fred3] became MD…there are a few things that he did which sort of really pissed me off and I thought if this is what, you know, the next thirty years are going to be like I would just rather not be here which is maybe a bit childish but. So [Ian] had a couple of meetings with [Fred3] and I in terms of sort of just helping us to sort of work together and to see what, you know, was important and understand, you know, sort of what's important to us… We just had, we had discussions and we sort of went through, you know, sort of how each of us would make decisions, what would be important to us… we're now more attuned to what makes us tick." [Gina3 – Mktg Dir]

"…and I would set people up like mentors, you know, get, if they needed a mentor, like with [Gina3 – Mktg Dir], getting, arranging with people like [Jake – external consultant]." [Ian – consultant/NEBM]]

"There was a need to develop [Fred3] who had a managerial role in the business...he's got very good people skills but what we needed to do was have an accelerated development programme, and part of that, just part of it, was having to attend boards. So he attended a board before he actually came on full time, that was part of his development. Sit there, listen to the stuff, and then as he built his confidence, over a meeting or two, have some contributions. That worked really well." [Ian – consultant/NEBM]]

"But in terms of [Fred3], sales director, we developed a plan…how do you make the sales manager an MD and how can you, at the same time, get [Eric2] to be a chair? So we'd written down plans there, line after line. We'd talk to the board about that so they were on board and they knew what they were doing… essentially designing that and convincing them, including the board, that they should go on the formal development route…" [Ian – consultant/NEBM]]

"I honestly believe that that's what I taught [Fred3 - MD], it's not about having the best watch, it's not about having the best, negotiating the best deal with the [brand name] or whoever. It's about actually your people skills and managing those relationships…that's what I hope he picked up…" [Ian – consultant/NEBM]]

"…there was somebody he put me in touch with, to sort of help mentor me to become a director. He was also very helpful as well." [Gina3 – Mktg Dir]

"…[Ian – consultant/NEBM]] pointed me in the direction of [name]…finance expert…in [name of university]. Really knows his stuff and took me through, you know, how Boards work, you know, finances you'd be looking at and he was really good… it was like going back to university…but that's what I needed, that's why it was I suppose so beneficial…[it gave me] confidence, more than anything, confidence, you know." [Fred3 - MD]

"I think [Jake – external mentor] helped our Operations Director. He'd mentored him whenever he became a director…I'd would be quite close to [the Operations Director] and…I think he said, you know, use this guy, he's so good. And he said actually what you'll go through with him will just impact every area of your life; it won't just be your working life. And I think [operations director] at that stage had split up from his wife and they were living apart for about five or six years and he said 'that guy saved my marriage…You know, he'll just, he'll help you understand yourself.' And so I think that's a good enough recommendation for someone." [Gina3 – Mktg Dir]

"…but the curious thing is the way that people open up because, again, because you're not invested. I mean, what I've always said to people, about the mentoring process is what it really is about is it's like holding up a mirror in front of you; what I'm trying to do is help you to see yourself… and it's easier, for somebody, from outwith the organisation…" [Jake – external mentor]

"…but that was one of the things that we actively talked about; about her own life, because you can't divorce the situation that she was in from the wider environment that she- the family and her family, that she was looking inside, because that covered everything." [Jake – external mentor]

"So my involvement there was in a kind of a coaching role with [Fred3 - MD], with [Eric2 - EC]. Not so much, not very hands-on, but certainly on many occasions I would have had conversations with [Fred3], discussing personal issues that he's got, how does he deal with things, how does he understand the finances. His vision as to where the business should go..." [Harry – external accountant]

"Which was why it was very important for [Fred3 - MD] to have had the experience outside the family firm. And he is fortunate in that he is going into a structure that [Eric2 - EC] has established where there are outside counsellors and HR people and outside advisors, not just the likes of me,

but other business advisers who will advise them on other things – legal things and PR and marketing and staff management and all that sort of stuff. And who will counsel the [Freds] of this world behind the scenes so that he's not embarrassed in front of the rest of the staff. So I think that's important." [Harry – external accountant advisor]

"…it was both formal and informal. Formal from the education financially, as to what a set of accounts looks like, what the figures mean. And leading on to informal discussions about management style, about the direction of the firm, about the relationships with suppliers…And that relationship needs careful handling. And [Eric2]'s particularly god at handling that. [Fred3] is learning, but is still naive in dealing with that relationship, so I would try to help both formally and informally with that. So informally in a soft way, formally in the discussion of margins, and credit terms, and supply." [Harry – external accountant advisor]

Involvement of non-family managers:
"You know, [Ian – consultant/NEBM]] was, I would have said he was closer with the likes of [names of professional managers] which is lovely actually. And I suppose he spent a fair bit of time with them as well…it's a hard adjustment for everybody and [Ian] really helped that, you know. And the guys were great, don't get me wrong, but he made it much easier than it could have been." [Ffred3 - MD]

"If go back then to the psychologist bloke I brought in, he was terrific and he did psychometric testing and met with all my management team…he was looking at was the characteristics, the skills, the abilities, the weaknesses of our management team and who was in the right slot and who was in the wrong slot. And he did a terrific job and whenever he met with them and told them their results virtually everybody said 'you got me absolutely spot on'. At the same time he did a Q12 on our business: Q12 is a Gallup based study that lets you know the amount of buy-in from your team so, are your staff fully engaged, partially engaged or are they disengaged? He helped us set up a people development department and structured the business…" [Eric2 - EC]

"[The organisational structure] was his [Ian – consultant/NEBM]'s whole first thing to fix; the fact that Dad had over twenty one-to-ones or something… So, it was all bringing that into order. So we worked through that. He then had coaching sessions with all the team to get them used to it…I mean they found it really tough to not have their one-to-ones with Dad cos it was as though they were being demoted. So we went through all of that struggle first. That was tough; that was a big change in the company." [Fred3 - MD]

"…[Jake – external mentor] was great and, in particular, talking about, he helped me with a couple of things that there would be. We've a couple of difficult personalities in the business… so I think [Jake] helped me a lot with things like that and they sometimes were the simplest things but whenever you're in it you can't really sort of step out of it and see it… he helped me immensely because I feel like I managed that relationship better, knowing more what sort of drives her and what motivates her. And I think I've become a bit more savvy in dealing with people that are maybe, I don't know. I'm quite, see I'm very black and white and don't tend to hide things…he's helped me a lot in regards of that… He helped me with sort of the relationships and sort of to, to just, to try to just give me an insight, you know, what sort of drives people…" [Gina3 – Mktg Dir]

	"And [Eric2 - EC] is deliberately trying to distance himself from him being the face of [LuxJewel], because he knows that at his age that he'll not be able to go on forever, and he's not afraid to step back and pass it on to the next generation. The difference with me is that being, I guess, 10 years or so younger than [Eric2], he depends on me a lot to almost bridge the gap between his age group and the senior management team age group, but yet still having 20-odd years, or 30 years' experience with the business, to be able to merge the two sets of desires… It's organically evolved…It's not something that we specifically sat down and said, 'Look, I want you to do this', but over the, that's a reflection of time, there tends to be much less of me on the accounting front." [Harry – external accountant] "…in the process, it was making sure that [Fred3 - MD] had the necessary education in the jewellery business, which I believe he has…that he understood much more than just the jewellery, that it was, you know, 70 or 80 people, he was responsible for 70 or 80 people, some of them very, very long-term, put a lot of work into the business, and had been there for pretty well their whole working lives. So it was important that he respected them, but also important that he was commercial enough to know when it's time for some of the older people, or the ones who would upset other members of staff and be detrimental to the business, to do something about. So my involvement there was in a kind of a coaching role with [Fred3], with [Eric2]." [Harry – external accountant] "…unless you've got a relationship with [non-family director], he'll just think you're trying to carve up his job, wouldn't he, and I wouldn't blame him. But hopefully spending months to build up that relationship with him and chat to him and understand the stuff…" [Ian – consultant/NEBM] "I don't just want to do an organisational change proposal, I want to help them change, I wanna sell that to them so they see the sense of it. And we did that, you know, I mean I would give presentations to all the staff telling them what we're trying to do. I'm a big believer in not just the, the guys at the top and the key people but I want everybody to think there's some sense in this, we could actually get something out of this." [Ian – consultant/NEBM]
Richness, depth and trust-based nature of key network ties relevant to succession	*Relationship with Ian – consultant/NEBM*: "If go back then to the psychologist bloke I brought in, he was terrific…" [Eric2 - EC] "…So one of the mechanisms I use is I'll be a non-exec director, you give me one day a month and I'll actually do that, as part of that I will keep track to your staff. I mean I would always do that as a non-exec anyway for key people but I can advise and guide so, all that stuff I would do. Development plans for [Fred3 and Gina3] and expectation, I'll do as a non-exec. I wouldn't do as a consultant. I never put in a proposal saying, 'If I do that, would you give me some money?'" [Ian - consultant/NEBM] "…and as a result of that he set up the structures which I've talked about and all the reporting structures and things like that…And he joined our Board for a period as well. And the job he did in here was phenomenal, absolutely phenomenal." [Eric2 - EC] "And [Ian - consultant/NEBM] was on the board for a couple of years, I think. And that was very good, it was very good, you know. And I suppose helped him again just see how everything was going, if he needed to tweak anything. Incredibly valuable." [Fred3 - MD]

"[Ian - consultant/NEBM] *was* the transition. He was it. You know, I suppose you could say okay if Dad hadn't been amenable to his suggestions we wouldn't be where we are. So, you know, Dad helped it by working with it and everybody else stayed around…But no, he was the transition. He was it." [Fred3 - MD]

"I think the man who helped us more than anybody was probably [Ian – consultant/NEBM]. In terms of just sorting everything out and in terms of giving people sort of roles and taking everybody through that and making sure that it all worked in practice as well as theory." [Gina3 – Mktg Dir]

"…[Ian - consultant/NEBM]'s like our family shrink…" [Fred3 - MD]

"I think also he [Ian - consultant/NEBM] sat on at the time a lot different businesses…he also was on a lot of, was on the Board of a few companies in the Middle East that he would've travelled out to at that stage as well so he had a very broad background of experience to draw on. And he's also, I think [Ian]'s maybe in his mid to late sixties and he'd done amazing things like he'd interviewed Thatcher whenever she was Prime Minister." [Gina3 – Mktg Dir]

"And, I phoned [Ian - consultant/NEBM] and I said would you speak to him because he was the only person I could think of, you know, who who'd been around and sort of seen so much stuff…[he] was instrumental in building up [Gina's husband]'s confidence and getting him, you know, back to where he should have been. So it has developed into a friendship. He's been I think very important to both of us. And, well to [my husband] and I, and also the family." [Gina3 – Mktg Dir]

"So obviously nice, [Eric2 - EC]'s a lovely guy, he is, and I'm not just saying that because I'm being recorded - he is a lovely man." [Ian - consultant/NEBM]

"I sat on his board for, for about four years and I left the board about two years ago, three years ago…I mean I, I really sat on the board because the issues that he has, once you say, "Okay, here's the problems," and analyse them, "Do you agree, yes, no? Here's what we're going to do about it. Do you agree, yes?" You know? Then what I don't like to do is what most consultants might do is just say, "Well, there's your fix," and disappear. And I've never wanted to do that. And then the interest comes, and as I said to you before, I'm an old guy but I still love what I do and I love what I do because I get involved. And one of the mechanisms I have is just sitting on the board, it's a cheap way to do it. It's very cheap. They pay me a day's consultancy and I go and I don't charge what other consultants charge. You just pay me a day's work, and I'll sit on your board, but that, that actually helps me understand what's going on, what is happening that should be happening, what is happening that shouldn't be happening, what difficulties we might be having. And it allows you to tweak it, it allows you to build relationships with the senior people, talk to them about how they might do things differently...you're more or less like a, a little bit of an internal consultant. Obviously you don't have any executive power, it's a non-exec position, but I've used that mechanism many times." [Ian - consultant/NEBM]

"[Eric2 - EC], I would say he loved the idea he could have a chat to [someone] who understood the business but also understood the people. You know, 'I'm having trouble with my sister, she doesn't see it my way, how...' you know." [Ian - consultant/NEBM]

"…as I said to you earlier, it's the way I operate, I don't, I'm not advocating every consultant does this but I, I've built relationships. That's the way I like to do it…you can only do that on a relationship basis, relationships, so meaningful relationships that contain, are based on trust, and you build the trust up, I build a relationship, as bit as much as with the directors as I do with the family members." [Ian - consultant/NEBM]

"… [I] met loads of nice people and made lots of good friendships which is exactly why I keep doing it today." [Ian - consultant/NEBM]

Relationship with Jake – external mentor:
"I think it became relatively close. I mean, I would like to think so. I mean, I certainly- I became extremely fond of her. I mean, it's partly because I have a daughter the same age, partly because I empathised with the situation she was in, you know." [Jake – external mentor]

"…the last time I saw her, 2012 or something like that, I said, 'Look, you know, if you ever want to see me again, just shout.' And sometime later she said she probably would, for some reason we never found a date, and the ball was in her court. As far as I was concerned, I was there if she wanted me, to come up and talk to her again…" [Jake – external mentor]

"…it's a sort of uninvolved friend, and I would like to be seen as in that capacity. I mean, most of the people I've mentored, I've had a good personal relationship with." [Jake – external mentor]

"I had no axe to grind…I don't think I was ever overtly critical either, I was sympathetic, I tried to be supportive, I was admiring the things that she did and that's not an act; I mean, that was genuine. But I think then, if you then say, 'Well, what do you think about it?' It might help that if you come and offer a generally supportive, sympathetic role that you ask. 'Are you sure that that's the way? Do you think there might be another way?' Chat, chat, chat, you know, have you thought about… chat, chat, chat, so it's- really it's quite a gentle approach… I felt she really was in a very, very tough situation and that what I was there to do was to try to ameliorate that, and help her find ways where that is less stressful." [Jake – external mentor]

"Which is about the importance of seeing from outside… addressing it, especially this particular case, but generically, in a way that's empathetic, that comes from a supportive stance, not a critical. So in so far as it's critical, if you like, it's a critical friend; I think that's, you know- that's a sensible way of putting it; a critical friend." [Jake – external mentor]

"…I like to feel empathetic and I would prefer to have- to feel I have some sort of relationship, with the person I saw." [Jake – external mentor]

Relationship with Harry – external accountant:
"Well, what had happened was we had a forerunner of [Harry – external accountant] who is our accountant auditor at the moment who I'm very close to." [Eric2 - EC]

"… so that's how close an involvement there has been with [Harry – external accountant]." [Eric2 – EC]

"In terms of [LuxJewel] specifically I suppose I've been as boy and man associated with them. When I first started training I was the audit junior on the job then became the audit senior and then became the manager and partner over the years so got to know the business, the business well. Both through…my initial involvement was with [Eric2]'s father…so my sort of initial introduction to the firm was way back, which must have been I guess 32, 33 years ago. [Eric2]'s father was at the helm then…when I eventually looked after the job at partner level, I had left, there was a gap of about ten years whenever I had left them and was with [accountancy firm]. When [LuxJewel] at that stage did not come with because [Eric2] at that stage was very closely associated with one of my former partners in [name of another accountancy firm] who went to [name of another accountancy firm] and [Eric2] stayed with him. So, that was [name]. So when [he] died [Eric2] decided he wanted to move to someone who he knew and would know the business so then he came to me… And that would have, that would have been I guess now maybe 13 or 14 years ago…" [Harry – external accountant]

"So I really grew up with the business, and [Eric2 - EC] and I have known each other now, what, 36 years? And likewise, I mean, I was around when [Fred3 - MD] was born… So there's been a, there's been, hopefully, – it's not hopefully, it's been a great relationship built up, and I have a very good understanding of the evolution of the business, and [Eric2]'s thought processes to where he wants to take the business to…" [Harry – external accountant]

"…it helped us because there was a big trust element there. First of all between [Eric2 - EC] and me, he knowing that I just wasn't into it for a fee..." [Harry – external accountant]

"A lot of discussions with [Eric2 - EC], discussions indeed with, [him] and [his wife], which actually were a combination of, initially social, which actually became business focused whenever we would have met on a kind of business forum, for that, in that anything we said socially, amongst [the three of us] would have been very confidential, but I would have been, it would not have been flippant." [Harry – external accountant]

"I suspect [Fred3 - MD] probably sees me having a stronger relationship with his father than he has with me, but that is natural. Number one, because of age; number two, because of the length of relationship that I've had with his father, and I haven't had the opportunity yet, at the level [Fred3] is at, to develop that relationship. I guess, like any relationship, if you've got a relationship with the senior person in the firm, as I have with [Eric2 - EC], it doesn't come easily to switch that to someone who's coming in as the new managing director. And [Eric2] has not relinquished all his managing director roles, he's still a quasi-managing director, even though he terms himself chairman…I can see my relationship with [Fred3] developing…" [Harry – external accountant]

"…so there's a much, there's a much closer relationship on a business front than there would have been up to this point. Probably up to two to three years ago, my relationship with [Fred3 - MD] would have been much more social, from a family point of view, than it would have been on a business front." [Harry – external accountant]

Depth of understanding of family firm's unique dynamics, challenges and people:
"Now, they're one of the big accountancy practices but I got the impression, and this is exactly what happened when I went to see them, that the partner I went to for my annual meeting had been handed the files an hour beforehand and had sort of scooted through them and so he got a

	reasonable idea and so we went through what was happening in the company and one thing and another. And, so didn't have a, either an in depth interest or great knowledge of the company…" [Eric2 - EC] "…if I go to a smaller firm I feel I'm getting, you know, somebody who's interested in our business and who is going to help etc." [Eric2 - EC] "I think [Ian – consultant/NEBM] listened and he understood where I was coming from…" [Gina3 – Mktg Dir] "I mean, you know, you have to try to understand the culture of the business…" [Jake – external mentor] "…it helps me as well, you know, accelerate that process of getting to know them…it starts building that platform that I think you need to get people's trust to, to start to change things…So you're finding how the organisation works, and you're typically doing analysis of so what's good about the organisation, what's bad…" [Ian – consultant/NEBM]
External tie impacts on succession: establishing scope & structures/ processes	*Succession viewed as part of wider organisational change programme*: "...the whole [Ian – consultant/NEBM] episode in terms of setting up formal structures…so that all, all those things have helped the company grow and structure and things like that." [Eric2 - EC] "…and as a result of that he set up the structures which I've talked about and all the reporting structures and things like that…And he joined our Board for a period as well. And the job he did in here was phenomenal, absolutely phenomenal." [Eric2 - EC] "We do have, which again [Ian – consultant/NEBM] put in position, a people development manager…she has got great abilities in terms of training, and coordinating the structures that [Ian] put in…" [Eric2 - EC] "[The organisational structure] was his [Ian – consultant/NEBM]'s whole first thing to fix; the fact that Dad had over twenty one-to-ones or something… So, it was all bringing that into order. So we worked through that. He then had coaching sessions with all the team to get them used to it…I mean they found it really tough to not have their one-to-ones with Dad cos it was as though they were being demoted. So we went through all of that struggle first. That was tough; that was a big change in the company." [Fred3 - MD] *Recognition of significant contribution of external assistance to successful succession*: "…[the succession] has been managed, so far, relatively comfortably but with a lot of help, a lot of help. I hope that all I've said to you has given you an indication of where all of that help has come from…" [Eric2 - EC] "And [Ian – consultant/NEBM] was on the board for a couple of years, I think. And that was very good, it was very good, you know. And I suppose helped him again just see how everything was going, if he needed to tweak anything. Incredibly valuable. It's scary to think how it would have been without him." [Fred3 - MD]

| | "…[Ian – consultant/NEBM] was very much there and very much ever present and any time you needed to talk or, you know, want to show you this or take you through that, you know. He would've had sit down meetings with me to explain, with Dad and I to explain at times, you know, when we got close to the change. He was brilliant, he was brilliant." [Fred3 - MD]

"[Ian - consultant/NEBM] *was* the transition. He was it. You know, I suppose you could say okay if Dad hadn't been amenable to his suggestions we wouldn't be where we are. So, you know, Dad helped it by working with it and everybody else stayed around…But no, he was the transition. He was it." [Fred3 - MD]

"I just think really…without that consultancy, without that advice from [Ian – consultant/NEBM] I don't know where we'd be." [Fred3 - MD]

"But, I think [Ian – consultant/NEBM]'s been absolutely brilliant in terms of, I think, there are very few people my Dad would listen to and [Ian] would speak to somebody without agenda… yeah, [he] was a very steadying easy man and he's certainly done a lot for me." [Gina3 – Mktg Dir]

"But, I can't stress too strongly the value of the overall team, the overall management team in here, and also the outside advice that has come along as well in helping us. Cos I think everybody needs that and that's been, you know, very useful." [Eric2 - EC] |
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Appendix 15: FuelCo representative quotations

Theme	Representative quotations
Varying nature of familial ties impact on succession process	*Relationship between incumbent and sons* "But he also just had this, sort of, weakness that he didn't seem to realise that it was wrong for him to seek to enrich himself at the cost of his siblings and he seemed to think this was okay. And that also caused a falling out between my father and my brother." [Ken3 – DC&ED] "I was very happy at the time because we felt that [my cousin] and my brother were not serving our interests and my father's interests. We thought [Ken3] was a better pair of hands, yes, a safer pair of hands. I was happy for [Ken3] to be CEO." [Linda3 – shareholder] Interviewer: "Then in terms of [Ken3] becoming the CEO in 2001, maybe you could give me your perspective of how that came about? "At the time, my father, because [Ken3 – DC&ED] of my three brothers is probably the most talented, really. He has a very steady head on his shoulders. He is very trustworthy, he's very honest. My father wasn't stupid. He knew that, and [Ken3] had helped him with dealing with this very difficult issue of buying out his brother. [He] had been very constructive and helpful, and my father decided that [Ken3] was the one to pass the crown to, so to speak." [Linda3 – shareholder] "But he was removed from his children on that very emotional level. He was removed from everybody on an emotional level. He was very much a businessman… To be honest, they didn't have very close ties, the family didn't. He was closer to [Ken3] than anyone," [Mary – PA/confidante to father/incumbent] "[Father/incumbent] had an enormous regard and respect for his son and I suppose he would have regarded [Ken3] as being the brightest of the boys and the one he could rely on. He respected [Ken's] morals because [he] had very high standards himself…[Ken's] appointment meant a lot to [him] that he would have a son who was Chief Executive…He had enormous respect for [Ken3] …" [Mary – PA/confidante to father/incumbent] "[Father/incumbent] would have had a difficulty with [eldest son's] frame of mind at that stage. [He] felt that [his eldest son] was greedy and was heavily influenced by [his cousin]…sadly they had that great fall-out. I don't know the ins and outs of that absolutely, but I just know that [incumbent] was very disappointed in the way [his eldest son] behaved, and years passed whereby [eldest son and father] didn't have any communication with each other. Then over time it did repair, the rift that was between them, but never to a degree that he had with [Ken3]…" [Mary – PA/confidante to father/incumbent] "And he, sort of, realised the way he was being treated by [his nephew]. So why did I get it? Because my brother, [name], was betraying him. He was basically in [his cousin's] pocket…My brother, [middle brother], as I've explained, has no real training. So it's really by, by default (Laughter) that, you know, I was - but I - he liked what I was saying." [Ken3 – DC&ED]

"Then my father and [Ken3 – DC&ED] became very close as [Ken3] got better and I think my father then decided that, okay, [Ken3] couldn't be CEO but he would give him a role. He would be representing the family on the board and representing family matters and thinking of the future." [Linda3 – shareholder]

"He had always claimed that we all got news at the same time about the change of the will or the house, but the truth was [Ken3 – DC&ED] and he were working very closely together. I don't believe [Ken3] was influencing him, but [Ken3] knew what was happening before the rest of us did. Yes, there is no doubt about that." [Linda3 – shareholder]

"Even when my father was dying and I used to say stuff about [Ken3 – DC&ED], I would say, 'You know my sisters don't trust him,' and he would say, '[Ken3] is straight.' He was right. He was right. [Ken3] is straight. My father knew like [Ken3] was suggesting things to him that was working against [Ken's] interests. He would be putting proposals to my father that would be working against [his own interest] because he just wanted to give him the full picture. My father knew he was straight." [Linda3 – shareholder]

"So in the end, when we did mount the buyout in July 2001, I ended up effectively being catapulted from oblivion to Chief Executive of the whole company. So I was the youngest son." [Ken3 – DC&ED]

"…he didn't have a big regard for me actually, the truth be known. It was others that were telling him to use me. But I said, 'I'll only do it if you'll commit to allow me to go to Dublin within a year', and I insisted on getting it in writing from him…" [Ken3 – DC&ED]

"But certainly in terms of what I would call - I'm not good at what you call the 'emotional stuff', so I, I would never - and, and only when dad died did I actually give him a kiss, you know, though I helped him out of the bath when he was dying. There was none of this, sort of, lovely, cuddly. It was always, sort of, distant…" [Ken3 – DC&ED]

"Then in the middle there is [name of middle son] who at times, I think, he does resent that he was bypassed all the time, but he has kind of got over that because he knows that [Ken3] is a good safe pair of hands." [Linda3 – shareholder]

"His relationship with [middle son] who is older than [Ken3] was very good but it was a jovial relationship…" [Mary – PA/confidante to incumbent/father]

Relationship between incumbent and daughters
"When I asked him about that he said that he didn't think it was an appropriate business for women to be in because it's a fuel importing business. Now, I accepted that because I only asked him the question 20-odd years ago, but subliminally we knew the boys had a job and the girls didn't." [Linda3 – shareholder]

"I suppose like any family, each family member builds up a certain relationship with their parents. From my perspective, I used to have more intimate conversations. We used to talk about our mum and we would talk about his girlfriends and we would talk about relationships and not the business because I wasn't involved." [Linda3 – shareholder]

"I said it to my father and he totally dismissed it. I could never tell him. He never accepted any advice I ever gave him, never." [Linda3 – shareholder]

"So he then realised he'd have to have a new will, and he hadn't anything to give outside the company to the three girls. He was, sort of, more - he was way more - he was more traditional. He felt that the girls were never in the business, all the boys were in the business, and so he had this issue of how he was going to change his will. And he decided just to go for equality." [Ken3 – DC&ED]

"So [Mary – PA/confidante to incumbent/father], I think, was quite influential with him in relation to…For example, when [my sister] - when she was trying to attack him later on, she, she would've acted a bit like, sort of, a rugby flanker. She would, sort of, take him out of the way and over here. (Laughter)…She thought [sister] was - she even cries when she thinks - she thinks what she was doing was bullying an old man. She said, 'A dreadful thing, for a, a daughter to bully your own father when he's dying'." [Ken3 – DC&ED]

"It was his two daughters punished him in the end by not giving him the respect a father deserved. I suppose that would be really my greatest disappointment in these succession situations." [Mary – PA/confidante to father/incumbent]

Difficult relationships and lack of trust between siblings
"But I trust [Ken3 – DC&ED], I do trust him and we talk about once a week. We meet about once a week, once a fortnight. I don't believe he's going to do anything untoward… My sisters don't trust him…" [Linda3 – shareholder]

"I said, 'Listen, you see the buy-out clause, I think you, you should exercise that because it's all - all that's happening is it's getting worse and worse. The relationship has completely broken down between you and your brother, and likewise, between [your nephew] and others in the family'". [Ken3 – DC&ED]

"… it caused a huge rift and a huge rift with my brother. Personally, I've never forgiven my brother for doing that and then he has done other things since. I just think it brings out the worst in people." [Linda3 – shareholder]

"While I was Chief Executive I did find the whole issue of the way family members were treated in the company, both in terms of nepotism, but also cruelty, because family can be very cruel to family." [Ken3 – DC&ED]

"Now, because as you say, [Ken3] is the youngest son, the eldest son was basically out of a job and the youngest son was being given the big job. I'm sure it would have caused huge resentment, but none of us were speaking to my brother at that stage because we were all so shocked at the way he had behaved." [Linda3 – shareholder]

	"[Ken3 – DC&ED] and I are also very close, and I find him very straight, he's got great integrity, but my two sisters hate him. It's not easy. They hate him. They think that he influenced my father to change his will, but he didn't. He didn't." [Linda3 – shareholder] "I never wanted [my sons] to work in the business because – and this is an issue with family business – I had seen the horrible things that can happen in families and how damaging it is to family relationships. I think it's an issue." [Linda3 – shareholder] *Incumbent refusal to 'let go' of control of business ownership* "I believe, as an executor I would have voiced it and spoken to the lawyer. I thought that [father/incumbent] did the wrong thing by advising his children what he was going to be doing with the company, after he had passed away, and with the home and with everything. And in many instances that caused a lot of rifts within the family…" [Mary – PA/confidante to father/incumbent] "There was just no way. My father was a complete control freak. There was no way he was giving up those shares in his lifetime." [Linda3 – shareholder] "The other thing I didn't like about it was that I felt it was a little bit of a power trip with him that every time he would mention the will we'd all jump, and that's why held onto the shares. That's what was my issue with him. "[Linda3 – shareholder] "I think that was very much a controlling thing. He was terrified of losing the power, really. He still knew what was going [on] in the business. While he wasn't going in every day, he still was very much in charge...he was very much in charge. Basically, I felt it was the blood pumping through his veins. To give that up, it would have given up who he was." [Linda3 – shareholder]
Valued external input – range of stakeholders involved	"I think that he took the advice. He was very single minded though. We used to call him the old bull, because he was a very headstrong sort of person. I think often he would come to the advisors determined to do things in a certain way…My father was, as I said, very single minded and very determined and very stubborn, and I think to be successful in business you probably need that…" [Linda3 – shareholder] "And I said, said to my father that we should look at, first of all, having a really good shareholders' agreement that has no, absolutely no, ambiguity about how the family interfaces with the business. And my father suggested that and he brought advisors in, so he would have brought in - you know, we, we went slightly overboard… there's an agreement, a shareholders' agreement that actually says precisely the relationship of the shareholders to the business and the rights the shareholders have to enter the business." [Ken3 – DC&ED] "…we [family members] need to start talking to each other. And that's why I want - would you believe that DCU, Dublin City University, has set up something called a 'family business centre'. Or I think it's called the Centre for Family Business. And it's actually - a lot of money has been, a lot of money has been donated by businessmen… So they actually have this thing, and I've been to initial - it was opened a year ago last October. And what I'm hoping to do is to go to the next - because they have these get-togethers every three months where people talk, family

people talk, people who are in family businesses talk about their problems and how they deal with it, all, all this stuff that we're talking about… And then I went to the opening and it, kind of, blew me away, it was so well done…" [Ken3 – DC&ED]

"What happened is in - I'd gone to [business school] and said, 'Dad, we need to, kind of, do this properly, not like your dad'… so I was saying to dad, 'Next time, what we need is - it's not enough for you to issue wills. We, we need a, kind of, a plan here. We need to think this one through'". [Ken3 – DC&ED]

"That was the best thing I got, just the balance, to get the balance right, to make sure it's right. And that's what I did. I mean, that's what this shareholders' agreement is. It's all about this and it's all about the rules, and it's all about the control." [Ken3 – DC&ED]

"That was the main thing, that, but also it got me thinking about myself and about the binoculars on the big ships. So a chief executive should spend a lot less time in the detail and more time just looking at the big issues. And that's why you forget about it all…I did that…probably amounted to four weeks…" [Ken3 – DC&ED]

"…But the thing about it is because of what I learnt in [business school], because of what I learnt about the importance of the documents, covering through all the ambiguity, all that sort of stuff, I was actually able to deploy that…" [Ken3 – DC&ED]

"So that's my sort of thinking [about the future], but it's all so fluid. But what I was hoping to do, when I was thinking about it all, I decided to do a course. I'm doing a - it's not an MBA because I don't have time or I'm too old to do an MBA. But it's called an MSc in executive leadership and it's run by the [name of university] ... And it's very, very good. We spent a week. And there's a lot of very good ideas coming out during this…" [Ken3 – DC&ED]

"…but there's time to do that if we just go to the right advisors, you know, go off to [business school]. Because I think the Centre for Family Business is just starting here in, in Ireland, but it's actually a brilliant idea…" [Ken3 – DC&ED]

"I tried to get [brother] to go, you know, on this Owners Directors programme. I tried to get dad to go on it as well, but he was too - he'd no interest…" [Ken3 – DC&ED]

"I've been quite friendly with him. And I got him on the board, but because he's very family orientated I found him, to me personally, very useful to throw things against. That's me now. I would have gone to see him for lunch, talk him through all this stuff and he'd come up with these ideas… I'd see him and I'd bounce issues off him and, sort of, "Well, what do you think of this?" And he knows this and he cares about the family... I would describe him as a good mentor…" [Ken3 – DC&ED]

"He used to always tell the story about this friend of his who had passed over the shares to his children…apparently he passed over his shares and then what happened was he then did something that his children didn't really like. I think he left their mother for another woman and I think that the sons were so horrified by this that they basically blocked all the dividend payments. I think my father was terrified. I think he felt that if

	he gave over the shares that he wouldn't be able to do what he wanted. Because he could control the dividend policy he could do basically what he wanted." [Linda3 – shareholder]
Existing & new ties utilised to extend network to trusted others to support succession	"…my father was very careful about the advisors he had. He got very good advisors in, [consultancy firm] gave excellent advice and continue to. He was very smart about the advisors he used and the same with the executors he used. He was very responsible in that way…" [Linda3 – shareholder] "…I rang [name of Non-Exec] and I said, 'I need a lawyer 'cause this is the document they've sent me now'. He said, '[Ken3], go to [name of law firm]'." [Ken3 – DC&ED] "…he used this solicitor who was recommended to him by his cousin [name], who had the same issues with the family business and passing on the family business. They used this solicitor who [cousin] recommended." [Linda3 – shareholder]
Tie utility: range of resources accessed through external ties to support succession	*Provision of advice* "I think that he took the advice. He was very single minded though. We used to call him the old bull, because he was a very headstrong sort of person. I think often he would come to the advisors determined to do things in a certain way. There were one or two, like there was one guy in [name of consultancy], he regarded him as a genius, [name of advisor]. He would come to [him] with ideas and say, 'this is what I want done now. You find a way around that now.' [Name of advisor] usually did, actually, yes… [Name of advisor] is very good at seeing around corners. He is very creative in his thinking. He is actually brilliant." [Linda3 – shareholder] "[Incumbent] would meet with his executors on a quarterly basis or maybe a couple of times in the quarter, it was all clever ways of doing his estate from a tax point of view, and getting all of the advice he could get in order to be able to do it properly and clever in a legal way." [Mary – PA/confidante to father/incumbent] "The advisors might do what I would do and say, 'Well, you know…' They would be speaking from a tax point of view, whereas I would be speaking from the family, emotional point of view. And he would take on board what they had to say…" [Mary – PA/confidante to father/incumbent] "…If you want my view, the advice [Non-exec/executor - legal] gave in all those meetings was worth a lot of money and worthy of - he was a professional." [Ken3 – DC&ED] "…[Linda3 – shareholder] always says to me, the one thing that she gives me comfort by, is to say to me that she knew when her dad was asking my advice on various things to do with the family, that she knew that I was being honest, and that she trusted the fact that her dad was well looked after. That was good that that was like that." [Mary – PA/confidante to father/incumbent]

	"You see, every company has masses of solicitors for different aspects of the company, and [Non-Executive/executor – legal] would have been an advisor to [incumbent], from a legal point of view, for many, many years. So all their advice he would trust emphatically and he would listen to that advice." [Mary – PA/confidante to father/incumbent] *Issue identification and analysis and solution development* "…But the thing about it is because of what I learnt in [business school], because of what I learnt about the importance of the documents, covering through all the ambiguity, all that sort of stuff, I was actually able to deploy that…" [Ken3 – DC&ED] Interviewer: "And so what did you get from [the business school course] specifically? "…That was the best thing I got, just the balance, to get the balance right, to make sure it's right. And that's what I did. I mean, that's what this shareholders' agreement is. It's all about this and it's all about the rules, and it's all about the control." [Ken3 – DC&ED] *Listening and sounding board* "He had a great friend called [name], they walked all the time. They used to go for walks. So he would be, well, I would just say, a very good friend and he would've - and no doubt he would've confided in [name] about all of his dilemmas and all of his issues. But dad had never said to me, '[name] says this' or, '[name] says that', so they'd a - very much a one-on-one relationship that was walking, period. They walked up and down [place name] pier a million times I think, for about 10 years, and he would have talked to [name] not just about the business and family, but also, you know, girlfriends and this and that. So I think he would've bounced a lot of stuff off [name]. And likewise, the other way round, so the two of them bounced off each other." [Ken3 – DC&ED] "I would say that [incumbent] wasn't easily influenced, and I think I can safely say, from my own point of view, I wouldn't have influenced him that much. He would have listened to what I'd have to say…I would have been there to listen more than to influence..". [Mary – PA/confidante to father/incumbent]
Trust-based and personal closeness of external ties influencing succession process	*Relationship with tax advisor* Interviewer: "How have you come to have that trust?" Respondent: "It's a kind of gut instinct. Yes, it's a gut instinct. I'm not a businesswoman, but it's a gut instinct you would follow. I do believe sometimes you have to follow your gut and you just know when you're talking to him that he's straight. You would know, yes. It's just follow you gut, and [Ken3] would as well. I would follow his gut too. I think that's the relationship my father and he built is that my father trusted him." [Linda3 – shareholder] "I actually - 'cause [name] did the buyout in 2001 with me and, and with [tax advisor]. And I would say to you that I have nothing but the greatest of admiration to both [tax advisor] and [Non-exec/executor – legal], not just as lawyers and tax - their commercial nuance. They're brilliant. They're actually brilliant. And they actually are - they really root for the company in a way that's not professional. Do you see what I mean? It's, it's personal." [Ken – DC&ED]

"And then tax and commercial, there was a guy called [name]. He's probably one of the best. He's originally a plumber, would you believe. He has a broken finger, and he then joined the tax thing, and he's brilliant…And he's - but he's also got a very good commercial head as well." [Ken3 – DC&ED]

Relationship with [Non-executive/executor – financial]
"[Dad] would have listened to [name] a lot. I'd have talked to dad about [Non-executive/executor – financial]…[he] was giving strong, good, independent professional advice to my father, or I would say that. He was quite good, but my father had his own mind though." [Ken3 – DC&ED]

"Well [Non-Executive/executor – financial] he had known for years, and [Non-Executive/executor – financial] was a director of the company, and he advised him financially. I think he was a friend before he became a director, so he would have known [Non-Executive/executor – financial] as being a director of other large companies, and in a non-executive manner. So that would be why he trusted him." [Mary – PA/confidante to father/incumbent]

"He is one of the executors. He has been on the board for about 12 years. He was my father's great- . My father trusted him and so he's the chairman at the moment." [Linda3 – shareholder]

"He just made a decision…He actually had [names of three children] each on 15 [per cent] and [daughter] on just 5. And when [Non-Executive/executor – financial] found out about that [he] went ballistic. He said, "you can't do this"…"Take a share each off [two children]". [My father] said, "No, they're not, they're not gonna change". He said, "Well, then take a share each from [name]", he said, "No, you can't touch [name]". He said, "Take a share each off of [two daughters], 15 each down to 14". And dad said, "Okay"… So [Non-Executive/executor – financial] did influence him. [Ken3 – DC&ED]

"Again, I don't know where my father came across him, years ago. He has been advising him for 15 years, 20 years. That was a long process." [Linda3 – shareholder]

"I would say [Non-executive/executor – financial] was a very good advisor to my father, but my father had his own mind made up on the key stuff." [Ken3 – DC&ED]

"So that's - it's become very close. [Non-executive/executor – legal] likewise, [Non-executive/executor – financial] likewise." [Ken3 – DC&ED]

Relationship with [Non-executive/executor – legal]
"And [Non-executive/executor – legal], he would have known socially, and he would have also been involved with [his] company, with regard to the company over the years…You see, every company has masses of solicitors for different aspects of the company, and [Non-executive/executor – legal] would have been an advisor to [incumbent], from a legal point of view, for many, many years. So all their advice he would trust emphatically and he would listen to that advice." [Mary – PA/confidante to father/incumbent]

Relationship with PA to Chairman/confidante

"She's very important... She actually - when you ask about dad, what, what he was doing and who he was, she was closer to, it was her, not me." [Ken3 – DC&ED]

"And [Mary – PA/confidante to father/incumbent] came in, and I remember her as a child. For 10 years she looked after us all as children...she effectively ran the house...and we all loved her to bits. And then after 10 years she had her second child and she couldn't continue, but we were all in school just then. So she then left...But basically, again in 2001, after the buyout, what happened is dad approached [Mary] and said, 'Will you come back in here? Can you help us run the house like you did before?' Although this time [he was] older and it was medical bills and, you know, not kids..." [Ken3 – DC&ED]

"...in my own way I saw this kind of vulnerable man and he was very much on his own, except he did have his partner but she didn't live there. Whilst I suppose I was caring of him and I watched out for him, I made sure everything was perfect. I was very involved in his health care... I would have had a concern with regards to his travel, but he did love his house in Spain. I had that staffed down there so I knew he was being well cared for there, and he would be on the phone to me several times during the day about various things. So really, I organised everything to do with both countries when he was there and when he was in Ireland..." [Mary – PA/confidante to father/incumbent]

"So she, she would've been more influential I think than - although dad mightn't admit it, but I actually think more influential - he probably listened more to - he was with her all the time... So she was a wonderful, is a wonderful woman...I would call her a life professional, what do they call it? Life coach... Good listener, yeah... life manager. That's what she did for him. She helped manage, manage his life..." [Ken3 – DC&ED]

"She is a woman of integrity. My father trusted her enormously. She kept records of everything. Everything. He was lucky to have her, actually." [Linda3 – shareholder]

"When he went through the appointment as to why he was appointing me, he said that he needed somebody on the legal end which was one of the executors. Then on the financial end it was his financial advisor, and he said, 'I need somebody to look after the family and be mindful of what my intentions were even if they're not necessarily down in writing.' He said, 'And that's you, [Mary]. You've known the family for 40 years, therefore I trust that you're the right person to do the job.' That's it." [Mary – PA/confidante to father/incumbent]

"And [father/incumbent], at that stage, that was one very important stage with regards to my influence. [Father/incumbent] would have- [Non-Executive/executor – financial] would be of the view that if you have a breakdown you're washed up, you don't have a value, you're not to be trusted in terms of the kind of decisions you might make and all of that. And he would have been very tough on [Ken3]... And, as I said, because he became ill, of I suppose a mental nature, [Non-Executive/executor – financial] didn't take kindly to that, and he would have, I suppose, even been involved in advising [father/incumbent], that the best thing to do was to move [Ken3] to one side. And [father/incumbent] talked to me about that on one particular morning, and I said to him that, "the only advice I can give you is-" and I had spoken to my husband about it during

the period of time, and he was always saying to me, "[Ken3] will get well". I have a great affection for [Ken3] and he's a very good friend, and he's such a mannered gentleman, he's so like his father in every way. But I was frightened about what might happen for him and I didn't want him sort of discarded. And I would have spoken to [father/incumbent] about him, and I would called upon [his] emotional involvement with his family. I recall saying to him, "How could you possibly think the way you think when [Ken3] is your son?" And I said, "[father/incumbent], you must rely on the fact that he will get better, and that this is only a small period of time that's he's going to be unwell. And you're correct, he needs the time out to get better. You're correct in allowing him to step down as chief executive, but don't take away what he's good at," which was his involvement in the company. And [father/incumbent] said to me that morning- no the next morning he said to me, when he came into the office, he said, "I'm very glad of the conversation we had yesterday, and you were quite right"… so that was one time I was influential in how [father/incumbent] saw the family…He was grateful that I did say that to him, and he was a person, I suppose, that you wouldn't say, you know, "You're wrong," too easily to him…But I did tell him. I said, "You are wrong in what you're doing," and I said, "You need to be mindful that [Ken3] is a human being. He's also a hard worker, and you yourself have said to me on numerous occasions, 'He is the man', so therefore treat him as that." He would have taken that on board, so that's really the one time I would have influenced him." [Mary – PA/confidante to father/incumbent]

"[Mary – PA/confidante to father/incumbent] is very confidential, very, very confidential… So [Mary] would know a lot about his relationships with all of us. She would know so much, so much. But I don't have a problem with that because I know her very well, we became very close as my father was dying, and herself and [Ken3] were very close…." [Linda3 – shareholder]

Interviewer: "Do you think the fact that [Mary – PA/confidante to father/incumbent] was a woman brought any particular dynamic to that relationship?"
"Yes, I think so. Like all of us, he was a complicated man. He was kind of sexist in one way, he didn't want women in the business, but he loved intelligent women and all his girlfriends were really intelligent women and his wife was a very intelligent woman and a businesswoman in her own right…I think that himself and [Mary] had a unique relationship, very unique. Yes, definitely. He needed a woman in his life, yes…He confided in [Mary] everything." [Linda3 – shareholder]

"… So she was basically running his life, booking flights, da-da-da-da-da, food, you know, the staff in the house… And my father decided, 'Actually, [Mary's] brilliant", so he made her an executor at this stage. And was very close to [Mary], by the way…I mean, extremely close. She's a very special person. And basically, she would've been dad's confidante and she would've known - you know this thing about the girls and what went on with the girls?..." [Ken3 – DC&ED]

"So she, I think, was quite influential with him in relation to…For example, when [my sister] - when she was trying to attack him later on, she, she would've acted a bit like, sort of, a rugby flanker. She would, sort of, take him out of the way and over here. (Laughter)…She thought [sister] was - she even cries when she thinks - she thinks what she was doing was bullying an old man. She said, 'A dreadful thing, for a, a daughter to bully your own father when he's dying'… And she's got that, sort of, emotional thing about her about what's right and what's wrong in life…" [Ken3 – DC&ED]

"I have known the [family] for 40 years and I took a 10 year period off to have my children… The first time around it was more involved with the management of the home and the couple and their family…When I came back the second time, I came back as a PA to the Chairman of the company. That really was dealing with everything to do with his needs and his personal needs as well as the management of the house… there was a big shift, a different type of situation altogether. I was very nervous when I made the shift, I wasn't sure that I wanted to do it because I had known [father] for years on a first name basis. They always treated me like a good friend and a good confidante… I wasn't as involved with the company as much as one would expect a PA to a chairman to be. I was more looking after the chairman and his personal needs rather than the company…" [Mary – PA/confidante to father/incumbent]

"I suppose to start off with, the relationship with [name], I always respected [name] as being a friend, and then because he was on his own when I came back the second time, I suppose I regarded him as somebody who needed a bit of female input as such into the running of [the house]…I had been trained into that role so I suppose that's how I continued. Then he appointed me as an executor to his estate and then I got more involved in that end as well as running the property and the managerial jobs, travel needs, going through his appointments, what would be expected." [Mary – PA/confidante to father/incumbent]

"…when [incumbent] would be travelling, you always had this thing of, all his travel would be, 'Who do I contact in case of an emergency?' or, 'Who's next of kin and [incumbent] would always put my name down there', and I had trouble with that, because I knew that that was the image that he was portraying to his daughters, and I remember having a conversation with him about it one time, and saying, '[incumbent], I'm uncomfortable with this situation. I think your eldest daughter should be in that situation or you should have [Ken3]'. And he said to me, 'Of all the people I know, who knows how to get me back? Who knows how to organise my life? You are the most familiar with it and therefore that's who I want.' And that caused a rift over the years, because neither- of [incumbent's] three daughters, only one of them speaks to me. So that would have caused a problem, that [incumbent] didn't rely on them, and I think that [incumbent] had a habit of saying, 'I'll check with [Mary]' and that wasn't helpful, when you have children. But he was removed from his children on that very emotional level. He was removed from everybody on an emotional level. He was very much a businessman. …" [Mary – PA/confidante to father/incumbent]

"But in actual fact I was there when [incumbent] died, and I was very grateful to the section of the family that allowed me to be there." [Mary – PA/confidante to father/incumbent]

"Do you know what I loved most about [father/incumbent] was his advice… This house came up that I really, really liked, and I suppose I went in one day, and I talked to him about it… I used his advice when we were buying our house… I had enormous respect for his views and his insight into various things…" [Mary – PA/confidante to father/incumbent]

Appendix 16: HotelBiz representative quotations

Theme	Representative quotations
Strong family relations underpinning effective succession planning process so far	*Strong intra-family relations* "When I started the business, 28 years ago, my wife [name] made me promise that I would not push them into the business. I was following my dream, and my dream was always to have my own business. At that time we were a very small business. It wouldn't have mattered if [Oliver] had come in or not come in. I suppose I did continue my dream, and then when [Oliver] came and said that he was going into hotel management I was inside absolutely delighted, but was still playing it all down, because he could go into hotel management and not necessarily come into the family business." [Norman1 – founder/MD] "We had no problem. It could have been because, thankfully, we've no family problems between each other. Like I said, there's nobody not speaking to each other, there's nobody that's, maybe, out for themselves. I think everybody understands. We all see the business as, I suppose, our parents' business and not our own business yet, or at the moment. This is obviously the process of, maybe, changing that and moving it on. Hopefully, one day you will feel it or I'll feel at least that it's my… I feel part of it, but I don't feel like it's mine… There was no mud-slinging or anything like that going on, or stories that somebody, maybe, didn't want you to tell somebody else. Luckily enough, we had none of that. Or, accusations or, 'Well you did this' and 'You said that.' There was none of that. It was all, 'Well, here's what I think and this is what I'd like to see happen,' and there was more of that, you know." [Oliver2 – Ops Dir] Interviewer: "The role of your mum in the business, maybe you can just tell me a bit about perspective on her role?" "People ask us, and we laugh as well, when mum comes in with her lipstick on someone's in trouble! Mum is very much, like her and dad are very equal, like dad would be sitting in the office, every day or in the hotels every day, but he'd be on the phone to her three or four times a day, talking about different things. She's aware of everything within the business but she also I suppose more so than anybody plays the emotional ambassador for anybody in the family. She would go like, I don't know, picking examples like when if I feel like it's I'm in marketing and [dad] and [brother] and dad would be very much operational, background based, I'm like, 'They just don't understand my marketing thing.' She would bring it all back together…and she would spot things before they would erupt into – it's very strange, but I would say she's like the emotional ambassador most of the time but she's very aware and very active within the company as well and what direction it takes and knows everything. I think they are very much partners in decision making and different things." [Pippa2 – Mktg Dir] "I don't know how that came about. It was just, like, when we were younger, me and [Pippa] didn't get on well, at all, when we were teenagers. Then, I think it was more when I moved off to Edinburgh and then came back, and we'd both grown up at that stage. Thankfully, we all get along now, well. I don't know how that came about, it just has. It's just been there. So I know we're very lucky that way." [Oliver2 – Ops Dir] "I think at the start it was very strange, because you sat down, you're asked questions, like, 'When do you think they should hand the business over?' It's like, 'It's not my decision to make.' 'How much of the percentage do you think you should get?' Again I was like this is not – to the

point where I just said, 'They grew it from the ground up, they took the risks, they were the ones who worked hard at it their whole lives. I'm employed,' at that point I was and I was just like, 'If they want to sell everything, take all their money and buy a boat and throw it into the water, that's their business, that's not my business.'" [Pippa2 – Mktg Dir]

"Well, yes. That's why [Oliver] is now in as operations manager, operations director. He obviously ultimately will be sliding up the scale."
Interviewer: "That's been openly discussed? That's been agreed?"
"Oh, yes, absolutely…Yes, and it was agreed that will happen. That I become the chairman of the company and he becomes the managing director. That will happen. That's all agreed that that will happen. I don't think there's an actual date set, but there is certainly an age or thereabouts. We said it would happen between three and five years, and it probably will." [Norman1 – founder/MD]

"I say, 'Well, you do that today, and that's okay. Let me know.' But then I have the confidence that he will do the same thing as me, ask the same questions as me, and come back with the same answers that I would look for, because we will come back, we will discuss it." [Norman1 – founder/MD]

"[My wife] has been very supportive over the years with us. Obviously she doesn't work in the business day to day, but the refurbishing in [hotel] at the moment, she is 100% involved in that… Obviously she was at the accounts meeting the other day. She knows all that's going on in the business. Every evening I go home she will say, 'Well, what happened today?' I update her with what goes on. She's very much an integral part of the business too. That's why I keep my head calm, she calms me down." (Laughter) [Norman1 – founder/MD]

"Luckily enough, we're a family that all gets on well, anyway. There's nobody that's fallen out with anybody – yet, anyway. (laughter)…So we all come together and chat, anyway. We're quite a close family that way, anyway. So we had no problems, sort of, standing there and speaking our mind and saying. I think everybody was speaking off the same page, or what we thought everybody was thinking, was what they were thinking." [Oliver2 – Ops Dir]

"We haven't got to the stage yet, where [name of consultancy] were saying about the timeline of, 'There will be a day where you'll have to decide that you become managing director. That means that when you come in and there's post there for the managing director – you open them and he doesn't open it.' That'll be a tough day. So we haven't really spoken about that. I don't think there's really a need to because I'm happy with where I'm at and what I'm doing. He enjoys his role and whatever the titles says… You know, I could change my title tomorrow, but it doesn't mean I'm doing any more or any less at the moment. There's not a set amount of work, where you say, 'Well, there's the 20 things I do, so you can take two of those things. Then, next year I'll give you another three of those things.'…It's not like that. It's what comes up in a week and it's, really, whoever gets the problem first, is the one that deals with it. There have been natural changes, like, suppliers that used to maybe call my dad about something, or contact him, but now if they contact about discounts or price rises it'll be myself that they contact now. People have done that themselves nearly. They've changed over and talk to me now, instead of him, which he's happy about because it gives him more time. That's the way I would see it, but everything from big decisions to small decisions, we talk about and see anywhere. At least I'll phone him and say, 'Listen, here's the problem, but here's what I'm going to do about it. Just to let you know if you've

	been talking to this person,' and that's it…we have a close relationship. We go out playing golf together and spend time together. So it's fine, yes." [Oliver2 – Ops Dir]

"…at the heart of what we do is essentially family business and that sort of pure advisory that we call it. So, succession, I suppose in our point of view is at the foundation of all the work that we do within family businesses. And I suppose in recognising that, you know, there might be difficult relationships that exist between siblings that will come to a head whenever succession is going to be explored within a family business. We generally try to do more preventative type family business work…" [Queenie – external consultant]

"We are part of the way there. Yes, we have a structure, a company structure. Yes, we have a shareholders' agreement and clarity on who owns the shares. We have a trust set up and different things. But ultimately where we're going to be with it…I see the big crunch coming down the road, and I don't know how and when and why…it is ownership. Ownership is definitely going to be the big problem." [Norman1 – founder/MD] |
| Valued external input – key in triggering succession planning action | "[Oliver's] career, he went off to university, did his degree in hotel management in Edinburgh. Then he came back and went to Dublin, and worked in Dublin for seven or eight years, worked in the [name of hotel] for two years as junior manager. Then when that closed he then went to [name of hotel], but that didn't last very long, but then ended up with the [name] Group…He worked for them for six or seven years, and he worked in Limerick, Galway, Dublin, different places. They moved him around." [Norman1 – founder/MD]

"Then I went on to do an MBA and postgraduate in business studies. Was it management? I can't remember now, but a postgrad in business studies. All part-time. I was studying for 12 years, 14 years, something like that…While I was running not only here but also in the latter part running [another business]. It was a lot of hard work, and certainly dedication on my part, that I was doing so much." [Norman1 – founder/MD]

"I think you're always looking, if you're going to have the billboard like, 'Oh gosh it's really lovely it stands out, I like what they did there it's very simplistic but it works.' Other hotels see what they're doing, see you're benchmarking against your competitive set. I've done diplomas in digital marketing but I also did a diploma in marketing in the music business and enterprise because the music business is still fast moving and they're so with technology and the new ones coming out that I thought I'll do that as well because that moves so quick and I might be able to pick up some ideas and bring it back to the hotel industry." [Pippa2 – Mktg Dir]

"I got involved in a lot of different organisations and chambers and different things, sat at management committees and awards and all that sort of stuff to kind of go, 'I deserve my position here.'" [Pippa2 – Mktg Dir]

Interviewer: "There are four of you on the board now? Is that a conscious decision to have no non-execs?"
"You know as you grow something you always think, 'Why would I have an outsider and this and that and the other thing?' Going forward I probably could see where a non-exec would be an advantage. I don't believe we're at that stage, but non-execs on boards, there was another hotelier recently, and I dealt with this guy, and I haven't seen him in ages, and now he's on a non-executive board, but he's a tax consultant come accountant, so I can understand what he can bring that to the table there." [Norman1 – founder/MD] |

Awareness of succession experiences of other family businesses
"It was, yes, because you heard experiences and they'd speakers in from different family businesses that had done it well and managed to get third, fourth generation. I know that's very rare for a family business to get that far, just with implications and different things that can happen… I think we walked away with more questions than we initially went in with. We thought succession, that's fine. When you hear different stories and then you heard some horror stories of people who were at the course, very distressed. I remember one company and the father who had started the business was very sick and he couldn't run the business anymore. The sister had come back from Australia or something to try and pick it up and run with it, and the brothers were all fighting among themselves. She was just in distress at that point going, 'Somebody help me. I don't know what to do.' It was interesting to see different people's scenarios, how people were trying to deal with it and what could potentially go horribly, horribly wrong and the distress it caused for not only the business but for the family unit itself." [Pippa2 – Mktg Dir]

"The good thing about the family business sector as well is every family business knows of a family business who's messed up, who's got it wrong, who's living the hell that is the family business hell that you go through." [Queenie – external consultant]

"Well, when I did the course first there was a very diverse range. Some people had their succession plan. 'Well, I know him, and him, and him are taking over the business...' There were other ones sitting here, like me, 'I haven't done anything on it.' Then there were different variations. (Laughter) There was one very funny one. It wasn't so funny at the time, but there was this fellow. This man had a very successful business, and he had given his son most of the shares, he became the major shareholder, but his son took ill with cancer and was going through severe treatment. The son was here and so was his sister. It was him and three sisters in the family. The son and the sister…succession plan and what they were doing. Anyway, the son then one day didn't turn up, and we were kind of with the sister, and she started telling a story about basically the father said, 'What will happen to your shares? What will be done with your shares if you died?' and he goes, 'Yes, well, I'm leaving them between two ex-girlfriends.' (Laughter) I think the proverbial hit the fan, and I think that's why they were succession planning. She was working in Australia. She wasn't in the business. He brought her home. There were three sisters with a 7½% stake, so 22½%, the son was the majority shareholder, and the father still owned shares. The father got her home to work in the business, in the office. I think the father was trying to manipulate her in, so that at least if something happened to him she would be the runner of the business." [Norman1 – founder/MD]

"Obviously when you're on this course there are people who are at different stages of succession planning. As a matter of fact, there were people who could be in their 70s [and] had done nothing about planning. Surprisingly there was one guy with a lot of business and had done nothing. He tried to step out of the business, and then found that the family were fighting the hell out of each other. Now he's going back into the business, in his 70s, but he's going, 'But there's going to be a day come, in the not too distant future, that you will not be there, [whether] for health reasons or you just won't be there.' He said, 'I know that, but I don't know what to do.' That is probably the biggest problem." [Norman1 – founder/MD]

"My god, there were a few horror stories come out of that… and there was another guy sitting beside me and looking around the table about your experience in the family business, window making or something, and he says, my father and mother are in it, he said to myself 'and my sister, and my sister is a total lazy bitch, she gets £20,000 a year for doing sweet FA, and she's the blue eye of my father' And he started going on, you know." [Norman1 – founder/MD]

Interviewer: "Some of those experiences have influenced you?"
"Yes, it did influence you. What came out of it, and I suppose obviously [Queenie] with the experience in this here, and she's seen and sat on so many board meetings trying to resolve this, that communication between the family is key…" [Norman1 – founder/MD]

"It is a difficult one, because I know there's a family, and this man owned a butchers shop, and his son came in with him, and he took it to wholesale, numerous vans on the road, and built it right up. He worked something like 15 years for the father, and the father just gave him a wage, so he went to the father and said, 'Look, it's getting to the time of life I really do feel that I should be more than an employee here, and I do think that I deserve a part of the company.' The father agreed, and said, 'Look, we will give it 50:50.' So they did 50:50. Then somebody came in, or something like that, and bought the company. They both of them ended up with a reasonable amount of money, but the other siblings, which were four others, the father went to Canary Wharf, which at the time was getting built, and bought four apartments, and gave them an apartment each, which was £200,000 each, to these other ones, the other four family members. They weren't happy, because, 'We have no money. What's the good of an apartment [to us]?' So the son, who had got the money for selling his part, bought two of the apartments off them, and handed them the money, and said, 'Well, I will take them.' Then they griped about that [to him]. The son said, 'They haven't done a day's work in the shop in their life. They won't come near it and still they wouldn't come near the bloody business. (Laughter) Now they're sitting back whinging, because they say I've made…' He said, 'If I hadn't worked as hard as I did the wee shop would have been worth £100,000, and none of us would have much.' (Laughter)…" [Norman1 – founder/MD]

"Then you had a consultant that looked at your individual family case and going forward and help you plan for it really. That really helped too because it was a lot of different sectors. It was multiple sectors and you heard the issues and everybody is very open and sharing different issues they found. Whether the brother was in charge but he wasn't really capable and it's the younger sisters that are in the office, that was really running the things. They're just different…so it was very, very interesting and very helpful." [Pippa2 – Mktg Dir]

"I don't know, personally, other families that have done it or been through it. I've heard, obviously, stories. Most of the stories are the horror stories. The ones that went wrong or they're currently battling over something." [Oliver2 – Ops Dir]

"…there's a lot of success stories out there and I think we need to be doing more in terms of shouting it from the treetops on that. And we are a relatively humble nation in that sense and so therefore even the success stories aren't overly willing to openly talk about the pains of it all…" [Queenie – external consultant]

Existing ties extended to bring in one main trusted external source to support succession	"Well, how we got [consultancy] first, I was with another accounting firm, and it got to the stage that we were getting bigger, and he suggested that we need tax advice, and he took us to [consultancy], to [name], who is a tax consultant. He's now the head of the company. That's how the company structure came about… The accountant that I was with was growing quite rapidly. My thought was that he was growing rapidly. I have no issues with anybody growing rapidly or slowly. It doesn't matter. However, I felt that he was building on sand, the foundations that he built. He was throwing people in, but the structures weren't there. He was still trying to do everything himself, and you would call a meeting with him and he would come to the meeting, like me and you sitting here today, and the next thing his phone would ring and he would start talking with them… That made up my mind. 'To hell with this.' So when it was coming to the end of the year and tendering for the business 'Ask [consultancy] to tender', and there was practically nothing in it, so I thought, 'You know what? I'm going there, because they have all the skills.' Anyway, that's the history of how we got to [consultancy]." [Norman1 – founder/MD]

"I know we went through a course on succession planning, that's with [Queenie], but [consultancy] is our auditor, but [Queenie] was doing this course. It was actually another guy who was running the course suggested I go onto it, and they were part of the people delivering the course." [Norman1 – founder/MD]

Interviewer: "How did you get then from going on the course to engaging with [consultancy]?"
"…[consultancy] are our accountants anyway, so there's always been a long term relationship there with them. Then when we said when we were on this course and different things, they mentioned that they had a whole family business section that looked after that area. So it was really through that then…" [Pippa2 – Mktg Dir] |
| Tie utility: multifaceted resources accessed through external tie to support succession process | *Eye-opener and broadened perspective*
"Amazingly, when it was agreed that, and it really was agreed through [Queenie], and I suppose it was an eye-opener for us all that we were talking about succession planning and what came out of the group…" [Norman1 – founder/MD]

"I think we walked away with more questions than we initially went in with. We thought succession, that's fine… I think we didn't really know what to expect either. We didn't realise how big it was and how important it was…" [Pippa2 – Mktg Dir]

Opening and embedding lines of communication
"What came out of it was everybody was thinking the exact same way. [Oliver] is going to run the business. [Pippa] is going to be in the business. The other three are not particularly interested in the business…" [Norman1 – founder/MD]

"…it was amazing what came out of the report, because what we would like to say we didn't want to say. [Oliver] thought he wasn't sure if I wanted him back in the business, because I had never said to him. He in turn had never said that he would come back to the business, would love it. He always wanted to do a year out to go to Australia and tour, so he took a year out from his work, and it was agreed that when he returned he would be returning to the business because he's always had itchy feet about going away and doing things..." [Norman1 – founder/MD] |

"…it was probably largely unspoken up until the point that we started looking at the succession planning. I suppose I'd said to him probably before, 'Oh, yes, I would like to come back to the family business,' but that was about as much detail as we ever got into. There was never, 'What does that role look like?' Or, 'What would I be doing?' Or, 'How does he see it and how do I see it?' There was never any of that discussion. It was only, then, when we started the succession planning. We'd done the interviews, we'd got the family thing together and then we started talking more in-depth about it. I think I was quite clear in my head, then, I was going to come back after Australia, but I think my parents still weren't sure, maybe, where I was. You know, even though I told them, I think they were still a bit, like, 'Is he going to come back?'" [Oliver2 – Ops Dir]

"…That they all sit around the table. They're not all going to agree, but she said, 'If you get them round the table, and everything is put on the table, nothing is left hidden by anybody, so there are clear lines of communication, there are clear lines of what will happen.'" [Norman1 – founder/MD]

"So that answered, I think, a lot of questions or doubts for them… I think we were all wondering, 'Do they see themselves coming back to the family business?' You know, they're all doing their own thing, but are they, in the back of their minds thinking, 'Well, I'll do my career and then when I'm older, I'd like to come back.' We didn't know, so it was great to get that input. They are part of the family that's grown up in it, as well, so you want to know what their input is in it, as well. I mean, their lives are going to be affected by our business, in one way or another anyway, even if they're not working in it. So it was definitely a good process to have them, and just opened communication – how they felt about everything and make sure there's no problems coming down the line with it. Or any resentment, possibly, coming down the line later and they could say, 'Well, I was never asked. Nobody ever cared about me,' or whatever they might come out with. So, no, I think definitely…We're a close family, anyway, so I can't imagine doing it without including them, to be honest." [Oliver2 – Ops Dir]

Interviewer: "And in terms of the work you've done with family business in succession, in terms of your role as facilitator and advisor, what are the main issues that tend to come up?"
"…the difference in perception that each of the individual family members involved in the business have of what the business is, what the business isn't, and what defines the family's relationship with the business. And the lack of discussion that has ever happened around that…It's giving them the space to do it and the forum to do it with the right people in that forum, because there's no point in them making a decision for themselves and not telling anybody, because that defeats the purpose. So it's very much about making the unspoken spoken with them and removing all those white elephants that sit round the room…And it's easy for us to do it; it's more difficult for dad to say it or brother to say it or daughter to say it; it's easy for us to say it because we don't have the same sort of attachments." [Queenie – external consultant]

"All seven of us are around that table. We basically update where we are, what we're planning to do, where the business is. Not that the other three are getting anything out of it at this moment in time, but it does keep them in the loop, because in fairness they're all in the family business…" [Norman1 – founder/MD]

"The first time was very, very strange, it's just because you never really think of those, and you don't want to think of if your parents aren't there and what would happen and different things like that. The follow up a couple of years later was easier, I suppose, because it was going, 'Two years ago you thought this, is this still the same or you were concerned about your brother coming back in, and you wouldn't work well together, do you still feel like that or is it easier or is it different?'… It's probably a couple of hours every time because there's difference, like [Oliver] and I would be obviously up to date on the information of accounts and different things and what's happening. Whereas the other girls because they're not in the business aren't privy to that information during the years as things go along. So the first bit of the meeting is going through where the business is as a standpoint and so they talk everybody through to make sure that everybody is aware and knows the same information." [Pippa2 – Mktg Dir]

Interviewer: "What did you individually and as a family get from doing the engagement with [consultancy], in terms of what did they bring to the process?"
"Well, from my own point of view, and I think I could speak for the family on this, clarity of what everybody was actually thinking of what the business should be, and how passionate every member of the family was about the family business. Even though they said, 'I want to teach', they're not saying, 'I don't want to know how the family business is doing.' They do. They're passionate about it…" [Norman1 – founder/MD]

"…they said what they would do [would be to] individually interview everybody, from mum and dad together obviously but then all five kids regardless of whether they were in the business or not. They go sometimes family businesses, it's the ones in the business they are focused on, but somebody outside the business could have aspirations to come back or they could be sitting going, 'It's still part of my inheritance and what do you mean I'm not a bigger percentage,' and how important it was to keep everybody engaged and informed about what was happening." [Pippa2 – Mktg Dir]

"They were quite hard hitting questions and that if something were to happen to parents and different things, who would be the next successor or would it be you, is that what you want to do? Sort of really hard to answer but good in a way too because we need to face the hard hitting questions that you really need to face and think about."
Interviewer: "Do you think otherwise you wouldn't have as a family have talked about all those issues?"
"No, I don't think we would have because I think we were in a situation where nobody wanted to upset anybody else, there's a lot of respect in our family. So mum and dad were sitting and saying well, 'We don't know what they want, so we can't make a decision about how it goes.' We were going, 'Well it's their decision because it's their business.'…this brought everything to, and remarkably every single one of us kids said the exact same thing about it's their business and it's up to them." [Pippa2 – Mktg Dir]

"[Consultancy] then collated all the information and I think they had a meeting with mum and dad presenting this is what each of the children think. It became a family constitution that everybody agreed that this is the way forward and that's reviewed every couple of years I think. I think they're trying to get it to review every year now, maybe because we're all older and we've also got our career paths with the time, like my sisters were still at uni or Masters, they're making their own way in life. I think it's every year. It's basically we all sit down around the

table and think this is where the business is going and this is how it's going and this is what we feel that we should be doing in the future." [Pippa2 – Mktg Dir]

"What they wanted to do was do initial interviews, one-on-one with each one of the family around what we expect in the future and how we see us going and if we're in the family business or not, things like that. Our parents, as well, what they would like to happen. Then, it all came together, really, with the results with what they found, and what actually happens…" [Oliver2 – Ops Dir]

"Luckily enough, we're a family that all gets on well, anyway. There's nobody that's fallen out with anybody – yet, anyway. (laughter)…So we all come together and chat, anyway. We're quite a close family that way, anyway. So we had no problems, sort of, standing there and speaking our mind and saying. I think everybody was speaking off the same page, or what we thought everybody was thinking, was what they were thinking. There was nobody that came out and said, 'Oh, actually, I want to be the managing director, one day, of the company. I don't see why that person should have it or any of that sort of stuff.' So everybody was, sort of, 'Oh, well I see… Like this and like this.' Everybody had, sort of, seen it the same way, which was good. Nobody had a different view on it, or thought process in which direction it should go, or anything." [Oliver2 – Ops Dir]

"So all these things were brought up. So, again, I just saw that part of it as quite an easy part. I didn't feel like any of my sisters were going to object, or any problem. I think it was because we'd already had all the open discussions and they could see what was coming. I think that's been just, I suppose, the key of it. There's been good communication and it's been explained all the way through, 'This is why we're doing it. These are the implications of doing it.'" [Oliver2 – Ops Dir]

Triggering action and maintaining momentum
"Yes, well like I said, I always knew I was going to come back at some point. From my uni days, anyway, I knew that, yes, I'd like to come back to the family business. I suppose what happened then was, we started this family succession planning with [consultancy]. At the time I was in the [name of hotel]. At that time we were doing the one-on-one interviews. What came out of that was, 'What is going to be the trigger for me to come back?' I'm saying, 'I want to come back,' but I had no real time-frame of when I might want to come back, sort of, 'Is it one year or two years?' [Oliver2 – Ops Dir]

"Then [name of organisation] got this contract to deliver succession planning. They came to me. You're supposed to tender and put in application forms and all of that. He said, '[Norman], your business is ripe', because he obviously knew quite a bit about the business and were aware, and the structure of it all. He said, 'Look, I think you would be an ideal candidate to go on this course.' I went and put an application in…" [Norman1 – founder/MD]

"The girls are so focused on their lives and what's happening with them. It would kind of get parked, whereas [consultancy] helped to keep it fresh and in the front and make sure you're always thinking about it and everybody is aware of what's happening. Instead of a few years down the line and one of the girls going, 'What, you never told us about that,' and then feeling left out or alienated from the family." [Pippa2 - Mktg Dir]

Interviewer: "In terms of getting from the course to embarking on the deeper work with [consultancy], you took that decision in light of your experience on the course?"

"I think we took from the course it said that it's never too early to start exit planning. We're all saying, 'Oh, I'm not ready to retire yet, so why the hell am I thinking about this?' But we all can give examples that there's nothing sure in life…from the course obviously it started to come in my head that we should move this forward, and we did, and it's worked now the last three years…" [Norman1 – founder/MD]

"I think it was four workshops and then you had so many hours of mentoring. It did give us insight into the amount of work that needed to be done and to succession planning with everything, from looking after the emotional wellbeing of people in the business and outside of the business that are connected in the family, and going forward and shareholdings, tax implications. There was just so much that we sat back and went, 'Oh no, we need to do serious amount of work here.' A lot to think about." [Pippa2 – Mktg Dir]

"Oh, it definitely makes it much clearer in your head where the business is going, at least what the future, would look like. I suppose, me personally, it got me to start thinking about that I could start, then, looking or questioning myself on, 'What is that trigger that's going to make me come back? What is the timeline? What does my career look like, personally?'" [Oliver2 – Ops Dir]

Impartial and experience-based advice
"…my role [is] in terms of leading the family business service around, what would be viewed as some of the softer issues around success and leadership and next generation capabilities, capacities, the relationship that family has with the business and the rules and the code of conduct and principles that underpin, etc., etc. So that's really the focus of the softer side of the family business work. Obviously we work across streams, because with every succession there will be not only emotional implications, there'll be financial implications, so the tax side; we work very closely with the tax team. So, we work across service, and even whenever you look at succession, one of the areas we explore is a trade sale as an option for a family business to explore, so we work quite closely with our corporate finance team etc." [Queenie – external consultant]

"There are A shares, B shares, and C shares…The C shares was the trust. [Oliver] and [Pippa] are in B shares. I think we might have 5% B shares each as well. Then the other 15% were A shares. The reason is because we give out different dividends. We don't get a salary. [My wife] and I don't take a salary of the business as such…Our earnings come out as dividends. The B shares can pay a dividend, however they still do get their salaries, and their company cars, and all of this. Then the C shares will have no dividend, because they're in a trust…"
Interviewer: "Was that all based on advice with [consultancy]?"
"Yes." [Norman1 – founder/MD]

"…we work from the premise that the family will always be there for the family but the business may not always be there for the family, and if you make decisions to protect the business, the business can protect the family. It doesn't work the other way round; if you try and protect the family it might not always be the right thing for the business to do, so our premise is one where you focus on the right thing for the business, and deal with the emotions and the rivalries that go on in terms of getting people to sort of agree, that yes, we act on behalf of business, we

don't act on behalf of the current generation, the next generation, the father, the mother, the daughter, the aunt, the uncle, the shareholders, the non-shareholders…" [Queenie – external consultant]

"[She advised on] the ups and downs, and the pros and cons, and obviously produce a report showing you the wee diagrams, the drawings. 'This was the structure. This is the structure. This was the tax implications, inheritance tax implications. This will be the tax implications.' You take an informed decision, I suppose, what's best for us…" [Norman1 – founder/MD]

Interviewer: "In terms of the shareholders' agreement, that evolved out of the work with [Queenie]?"
"Yes, working with [Queenie], plus her experience of what needs to be in the shareholders' agreement. Basically all the doors can be bolted if they have to be bolted." [Norman1 – founder/MD]

"It, obviously, was an advantage that they knew all the implications of. 'If you do this, this will help with tax,' or, 'If you do that…' Or, 'Here's what could come down the road.'" [Oliver2 – Ops Dir]

"I think they're a very good organisation. They have all the in-house what we need, and that's personal taxation, the company taxation….Audit. Advice, like my succession planning. Even if you wanted to look at disposal of your company, which certainly we haven't talked to them about that, but they have that. Pensions is the other thing." [Norman1 – founder/MD]

"It's been discussed at length with different people, between ourselves, between [consultancy] and then, even between a solicitor, as well, when we were doing the shareholding and directors. Basically, what all this means, before we signed anything. The family planning and the bank, as well…So you feel like you've spoken to enough different people. You've been asked and you've asked enough questions that there's nothing that's come up, where you've said, 'Oh, God, I'd have never thought of that explanation. Why didn't I ever think of that, myself?' You feel that somebody else would have asked that question by now." (laughter)
Interviewer: "Yes. It's been a thorough process?"
Respondent: "Yes, you feel it's been looked at, at every which way and angle. Of course, yes, something – like you mentioned – like a crisis could come up in one shape or another and we'd have to find a way through it." [Oliver2 – Ops Dir]

"…[consultancy] recognised that there was a real need for family businesses to get the support and advice specifically built around the challenges that family businesses face…it was looking at specifically dealing with some of those sensitive and emotional complexities around things like sibling rivalry, succession and the context, so next generation…Who is the right person to take this business forward in the next generation? So it was really looking at developing our service around dealing with some of those specific issues rather than just advising family business clients on tax issues, current finance issues, business restructuring etc." [Queenie – external consultant]

"So it's a real mix of the type of work that we get involved in within family businesses, and no one project is ever the same because of the dynamics of the relationships that exist, and you know, in the sense where we have the ability to provide advice around all of the areas, so

whether it's the organisational emotional side of it or whether it's into integrating non-execs, chair, look at governance structures for both the business and for the family and right through to then some of the technical and tax and financial advice." [Queenie – external consultant]

Facilitation
"Well, I think it brought out, particularly in the individual meetings, and then bringing us all together, it brought out things that we were scared or didn't want to say to each other, or indeed didn't know how to instigate the talk. It's very much easier talking to someone who has no emotions in the business versus someone who has emotions in the business. It's very easy for me to talk to you today, and be straight and honest, because you've no axe to grind, but I have…You have no vested interest. If I saw a member of the family you'd be either guarding it, in the sense of, 'I'm not telling them that.' Or it could be that you [think], 'I don't really want to burden them with that.' Or, 'I'm not sure what they're thinking', so you're on a fishing expedition. You're trying to fish the information out of them. They're trying to fish out of you. None of you are really showing your hand, with the result that nothing comes out. From that it brought a lot of stuff to the table, and to be honest we were mostly, or we were all, on near enough the same hymn sheet…" [Norman1 – founder/MD]

Interviewer: And doing that role, in those instances where it's worked well, or you know you've had a positive impact, what had enabled you to do your job effectively?
"I think the methodology that we apply, so the blueprint that we use for succession, in that the approach that engages with the right people in the right way at the right time. So it's a combination of using that methodology and that model to bring a family from A to B, is important because it provides, as I said, a blueprint and a logic to the whole thing. I think certainly our teams and our skills are in doing it in such way that's both empathetic, accurate in terms of some of the technical stuff that we would do, but also the relationship that you have with the family…actually knowing that this is something that we can get through but we need to take it step by step and we need to walk it through. So the skills of the advisor is really key but the methodology then that we would adopt as a logic to the whole thing and a model that gives the family business the clarity, and this is where we're going, and these are the difficult times that you can expect to see. And we've developed that over the years to evolve, make it work…" [Queenie – external consultant]

"It was more that [Queenie] kept the conversation where it was and got us to ask the right questions and got other ones to respond or to get everybody's thoughts out. Ask the questions, almost, and, 'This is what came out of… [Oliver] said this, this and this' on a particular subject, 'Is that how the rest of you see the business?' Then, 'Oh, well I do,' or, 'I don't,' or, 'I haven't decided.' Everybody put in their two cents worth. More that way, just kept it going, kept the focus and kept asking the questions and would delve into where they thought there was more need to." [Oliver2 – Ops Dir]

"[Queenie] was a facilitator. Probably we are going on at this for three years now. We have a meeting every August. [She] facilitates it…We have been round the table, we've hidden nothing. It was easier saying it with [Queenie] basically interviewing us individually at the beginning. There was nothing to hide. We knew that everybody will know what you said. (Laughter) It's not going to be totally strictly private and confidential…" [Norman1 – founder/MD]

"So all these things were brought up. So, again, I just saw that part of it as quite an easy part. I didn't feel like any of my sisters were going to object, or any problem. I think it was because we'd already had all the open discussions and they could see what was coming. I think that's been just, I suppose, the key of it. There's been good communication and it's been explained all the way through, 'This is why we're doing it. These are the implications of doing it.'" [Oliver2 – Ops Dir]

"So you don't say to them, 'This is what's going to go wrong with that decision or what's going to go right'; you just give them the scenario, and say, 'Are you happy enough that you would deal with that?' So it's not really advisory around the emotional implications of it, it's more just giving them the worst case scenario on each of them and sort of saying, 'These are the repercussions or the implications of that decision; are you happy you can cope with that and you can deal with that, and what that means for the business?' And actually then, 'is the person who's going to be directly impacted by that decision okay with that as well?'" [Queenie – external consultant]

"…you have to be open with regards to communications, I mean you have to be very clear on your ground rules, you have to be very clear on, this is what we're looking and at this is not what we're looking at…And so I think the clarity around the process that we work on and managing the expectations along the way is incredibly important and so therefore if all family members know exactly what we're doing and exactly what we're not doing, they respect the fact that we will be doing a good job and will reap the benefits of that along the way…And being open with them at the outset, to sort of say, 'You know, this is going to be difficult, you may feel in your mind you're ready for this, and we will open up cans of worms that you have never dealt with before and we play devil's advocate, so we put you in a scenario where you've made this decision and this happens; what would you do in that sort of position?' So it's just about, I suppose, the process that we use." [Queenie – external consultant]

"It's facilitating, I mean we are – you're normally in a position where you're saying, you have to agree with them whether you want – do you want our opinion? Do you want us to make a judgement? Or are you simply just looking for us to facilitate your views and opinions along the way?" [Queenie - external consultant]

"At the end of the day it's their business; they've put blood, sweat and tears into it, and they have a really important role to play, but it's getting them to play the right role and still feeling that there's value in what they're doing… What they're not good at is looking at themselves, and we're all like that, I mean, in a sense where it's very easy to give someone else advice, but it's very difficult to take your own advice a lot of the time. So, it's that sort of context that we try and get them to look at themselves, and they know what the answers are a lot of the time, I mean it is just…It's giving them the space to do it and the forum to do it with the right people in that forum." [Queenie – external consultant]

Issue identification and analysis
"[Queenie] interviewed every one of us individually to see what our thoughts were, our aspirations, what our wish list would like to be, and how we see the business going and where we're going…She interviewed all seven of us…Right down to the last one, to see what their perception was of where the business was going. She then made up a report, and then brought us all together in the same room for the whole day. No, it was amazing what came out of the report…" [Norman1 – founder/MD]

"I suppose they'd seen everybody's answer, 'Well, they all talked about this subject, so we need to delve into that. Whereas, this subject, they all seemed to be fine on, so we don't need to talk that much.' So it was more that focus..." [Oliver2 – Ops Dir]

"I suppose there's an element of us saying – you know you can nearly walk into a family business very quickly, identify what those are going to be, but it's not about us coming up with those, it's about them coming up with those at the end of the day…" [Queenie – external consultant]

"We generally try to do more preventative type family business work…In a sense to stop things from going wrong, so to highlight where the big pressure points are for family businesses in the context of succession and try and put in place, I suppose, the guidelines and the blueprint of, this is how to do it to ensure that things don't go wrong." [Queenie – external consultant]

"…we're with the family on a one to one in trying to establish exactly where their views and opinions lie in the context of things like succession, shareholding, who is the next MD of this business? God forbid if anything was to happen to your dad tomorrow, would the business continue to survive? So we spend a lot of time on a one to one and then we bring it together with a group, and so everybody hears the same thing in terms of, these are the big pressure points within your business..." [Queenie – external consultant]

Joint solution development
"So, again, we had another family-round meeting with [consultancy] there to talk about what the idea was with it. We moved some percentage of the company into a family trust and myself and [Pippa] got a small shareholding in it. Obviously we adjusted my parents' quite a bit, then, shareholding. Myself and [Pippa], were made directors. Before this all happened, again, we did it with the family meeting and with [consultancy] being there to say, 'This is our thoughts on it going forward. Here's why we're doing it and here's what to do.' At that same time, we looked at the family constitution and what this could mean. It just meant then, if any of the sisters had any questions or we had any questions, we could ask, 'Well, what does that mean? What happens if I want to sell my shares? What happens if the sisters get married? What happens if somebody comes back into the business? What's their entitlement? Is there entitlement automatically?'" [Oliver2 – Ops Dir]

"I suppose that's why we try to advocate the – we do a lot of work around developing family charters and family constitutions, the rule book type approach and that's the preventative stuff, so that actually you're ready to deal with succession because everybody knows exactly what the principles behind the family business are, and know when succession is going to be discussed and dealt with. So I mean that's the preventative stuff..." [Queenie – external consultant]

Addressing emotional dimensions
"I definitely think engaging early with [consultancy] in the whole process of succession planning has helped the business. I think it's helped with [Oliver] coming back and that transition period, that being so smooth. I think because we had had the conversations about our fears, like his fears about coming back, my fears about him coming back, dad's fears about him coming back and mum's fear for all of us. How it would happen and how the relationships would interact. We had these discussions, they were very open and honest and it really really helped. It made us like I say trust each other and there was a lot of open conversation. We do know that we're all going for the same goal which is the ultimate success of the business and protecting the family unit at the same time." [Pippa2 – Mktg Dir]

"…[consultancy] recognised that there was a real need for family businesses to get the support and advice specifically built around the challenges that family businesses face…it was looking at specifically dealing with some of those sensitive and emotional complexities around things like sibling rivalry, succession and the context, so next generation…" [Queenie – external consultant]

"…because we're asking them to consider life without a family member in the business, certainly and we're asking them to think about, 'God forbid if anything was to happen to your dad tomorrow, would the business continue to survive?"' And for parents making decisions on long-term shareholding for their sons and daughters, they want to be equal and they want to be fair and sometimes the two are so far from each other…So you have to let people work through that process because I always sort of say, family businesses are generally passionate about two things; their family and their business, and once you bridge those together and you start to explore both of them, you can expect it to be an explosion of emotion along the way. And at the end of the day, a lot of family members involved in business, it's their livelihood; how they give back to their family, their young children, put them through school and university, depends on the success of the business, so actually this is really important stuff…We're very clear on how each other feels about all this stuff, but actually we need to find a path through this, and I think that's where our methodology is useful because it brings them back to how we deal with this, rather than there's so many emotions going on here, that we can't see the wood for the trees. But by ignoring and not letting them go through that, we wouldn't be doing our job, I think, as well…we've always had the comment, 'God I never realised how emotional this was going to be', even from people who you didn't think had emotions. It is that, 'I never ever thought it would be this emotional', so I mean the heart of all of this family business work, from my perspective, is emotional complexities." [Queenie – external consultant]

Reassurance and sense of security
"It was great. To be honest, we all – I only can talk for myself, but we all felt much more like a breath of fresh air in the room. We felt much better about each other, about where the business is going, and to be honest it reassured me on the basis that I have two people now interested in coming back into the business…" [Norman1 – founder/MD]

"When we went back the second time and talking then about shareholding putting the agreed, this is how this can happen and when it can happen, and the fact that it's not bulletproof so to speak, but if it went in front of a court or somebody or somebody was trying to test it, this is what the family constitution agreed. In that way it makes you a bit more secure because if somebody turned round, like 'No, I want to sell my shares and I want out and you need to give me so much,' it could seriously affect business and it could ruin a business." [Pippa2 – Mktg Dir]

"We do have a shareholders' agreement obviously in place as well, for the shareholders now, so that's all been taken care of legally… Our shareholder agreements were made up at that time. Who does what? How to do it. What are the procedures? Etc. That's good to have that in place." [Norman1 – founder/MD]

"Oh, yes, definitely. I mean, with the family, you're trusting… Everybody to do their job or to do what's best for the company. I think that's the big thing that came out of this, is that separating business and family. We're doing this for the best of the business, not the best for the family. That's where we're making that distinction of whatever we do on this side of it – it's what's best for the business. Hence, why there's

points in the family constitution about the shareholding being first offered back to a family member and things like that. It's what's best for keeping the business secure and safe, before the family. Yes, that's what came out of it, there." [Oliver2 – Ops Dir]

"Now, [Pippa] is in the business, but even she went through a period of time, and it was [Queenie] that put this right, that she felt that in the family business was she learning enough? That's all she knows. It was only the family business she was in. What did she know about anything else? We said to [Queenie], 'She's in a bad place at the moment. She's talking about leaving.'…I suppose that's where you're back to keeping silent, knowing what you want to say, not what you do say. We spoke to [Queenie], and said, "[Queenie], look, speak to [Pippa]. If she feels like she needs time out we can facilitate that, because obviously again she's a long time in the business. It's the only thing she knows.' [Queenie] did speak to her, and basically highlighted, '[Pippa], you're at a level far way above where you would be if you worked for any other company. You opened a hotel…You've re-branded a hotel…You're marketing a group.' She said, 'You would be 50 year old before people let you at that level, because they wouldn't let somebody like you, who has no experience doing that, do it.' She said, 'You're getting that experience with your father, and you're not doing it wrong, you're doing it right.'" [Norman1 – founder/MD]

"It's really useful, like my dad was ill there [in] September and stuff, and he felt a bit more secure with the business because we'd talked about the 'what ifs' and had all this in the background. If something had gone bad at that time, then you felt we had the back-up to deal with it…" [Oliver2 – Ops Dir]

"For the family – more for my parents, really – it cleared up a lot of their questions, doubts. I know they were talking about that they didn't know whether… Especially the three outside the business. 'Are they interested at all, in coming in at a future date? Are they happy out?' If, God forbid, something was to happen to Mum or Dad – and whatever the structure of the will was left – if myself and [Pippa] who work in the business would be given the business, would they resent that? Do they secretly harbour things that they want to do in it? All these sorts of questions came out of it and all the answers, at the moment, anyway. The way they're thinking came out of it and was discussed at length, and different scenarios and things. So that answered, I think, a lot of questions or doubts for them. I think the whole process, from my parents' point of view, was very much like – they don't want to leave a mess. They don't want to leave a family that's falling out over things that, really, we never spoke about or could have sorted out quite easily, sooner. I think that way, it was better." [Oliver2 – Ops Dir]

"Oh, yes, definitely. I mean, with the family, you're trusting… Everybody to do their job or to do what's best for the company. I think that's the big thing that came out of this, is that separating business and family. We're doing this for the best of the business, not the best for the family. That's where we're making that distinction of whatever we do on this side of it – it's what's best for the business. Hence, why there's points in the family constitution about the shareholding being first offered back to a family member and things like that. It's what's best for keeping the business secure and safe, before the family. Yes, that's what came out of it, there." [Oliver2 – Ops Dir]

"Oh, it definitely makes it much clearer in your head where the business is going, at least what the future, would look like. I suppose, me personally, it got me to start thinking about that I could start, then, looking or questioning myself on, 'What is that trigger that's going to make me come back? What is the timeline? What does my career look like, personally?' Then, now that I'm back, it's much more clear who is going to be involved in the business and how that head office, if you like, is going to look and how secure everybody is. I know, back when I

	first started, [Pippa] had an idea that maybe she wanted to go and try somewhere else because she hadn't worked for anyone else apart from my parents. Maybe she wanted to do that, but then when doing this, it solidified in her mind – or seemed to, anyway – that, 'I know this is what I want to be part of now.' That came across to us, as well. So now you feel like, 'No, [Pippa] isn't down there wanting to jump ship every week and hating her job. Everybody is where they want to be.'" [Oliver2 – Ops Dir]
Multidimensional relationship with external advisor shaped succession process	"[Consultancy] are very good, so it was very - they made us feel as comfortable as possible because they said, 'I know this is difficult and they're difficult questions to answer and you are surmising what would happen at this point, but it is critical to sort of get your feelings on it.'" [Pippa2 – Mktg Dir]

"I think especially like, I suppose, the first time we were interviewed and you're kind of young, shy, didn't know what to say. Didn't know you were saying the right thing or wrong thing and you're going, you know. They were very much like, 'A lot of family businesses we deal with they find it hard to talk about or some family businesses, or think about this issue, is that an issue for you?' So they were able to bring in experience that way to help you get to where you needed to be. Then through the process, obviously, just their whole knowledge of shareholdings and shareholder agreements and the tax implications and how best it works. Absolutely, they knew exactly what they were talking about and knew exactly how to advise on our business specifically going, 'Well this would work if you were doing this, this would be the best option for you but because this is where you are right now, here is the best option and we can revisit years down the line.'" [Pippa2 – Mktg Dir]

"…So you do build a relationship, but in the confines and the boundaries of a succession planning process, yes it's important to have a strong relationship and one that's built on credibility and trust, but a sense check that you never cross that line and you start to question whether who you're acting on behalf of now… we're supposed to be completely independent and completely objective…" [Queenie – external consultant] "[Queenie] just has a nice amicable way with her. I think in this day and age, with all the technology and all the things, it's still a people's business. Every business is a people's business. It is individuals you will work with or you won't work with..." [Norman1 – founder/MD]

"Oh, fine, yes. When we first started the process, I didn't know [consultancy] well, at all, because I wasn't in the family business. I knew they were our accountants, but I didn't know much else about it. No, I find all the individuals – like I was saying earlier – put you at ease and are easy to talk to and, obviously, very knowledgeable in what they were talking about and the implications. It was quite relaxed meetings. Even the group meeting and all, you never felt like it was formal. You never felt you were getting pushed any which way, either. It was very much just an open forum or open discussion and whatever was said, was said. No, it was very easy. Since then, I've got to know [consultancy] much better. Again, any discussion we've had with them has always been like that – quite informal. You have tea and biscuits and talk about the weather and then talk about the business. Then, back to talking about what you're doing that weekend. There's never been a formal, 'Right, you've got half an hour of my time here. Let's get through this work.' So, no, it's been very relaxed and very easy to deal with. Very down to earth, I suppose, is the way they come across, to ourselves anyway." [Oliver2 – Ops Dir]

"…And I suppose as well from a trust point of view, it's important for a lot of our current generation to engage with the right type of people in [consultancy], I mean I know there are certain scenarios where it's not me, it's my partner, [name] who's male and has grey hair, that walks |

	into that relationship. Whereas I know with other ones, it's not about putting a particular person in front of them. So you get a really good feel for how easy is it going to be to create a relationship in the first instance." [Queenie – external consultant] "I feel as if it's something more than just contractual, you know. Obviously, it is a business. They're there doing a job and it's great, but you don't get that feeling from them. You do feel like they genuinely care about what happens to the company, or you feel like they seem to be part of it, as well. Obviously, they know us quite well now at this point. They still do all of our accounts and it's obviously in their best interests that we're thinking of these steps so that they continue to have a client. You know, "'They're using them for accountancy,' but at the same time you never felt like that, that it was just a corporate deal, hard and cold. It felt very soft and easy with them. You felt like they were part of the process." [Oliver2 – Ops Dir] "Again, [Queenie] has such a nice way with her. She just made it easy and she understood aspects, not aspects, she understood the family business and she understood the implications and the problems that could arise or you could be feeling from a second generation, first generation. She was asking questions based on her experience and knowledge with other families, trying to bring it all to the fore, but you never felt that you couldn't trust her, you couldn't tell her anything…" [Pippa2 – Mktg Dir]
Influence of external advisor on key aspects of succession	Interviewer: "In terms of the shareholders' agreement, that evolved out of the work with [Queenie]? "Yes, working with [Queenie], plus her experience of what needs to be in the shareholders' agreement. Basically all the doors can be bolted if they have to be bolted." [Norman1 – founder/MD] "Then, from a business point of view, I think it's made the business stronger in our eyes, anyway, because you see there's now a clear line of progression. It's made it much more secure in the way that we've got a family constitution now that lays out quite a lot of the things, or really how to approach problems. So if we are sitting around some day and suddenly a particular problem and you're wracking your brains, you feel, 'Well, I can pull out this document and look. What does it say?' Then, 'Actually, that's made this decision much more simpler now because this is what we've agreed and that's sorted the problem out' Haven't had to use it yet... You've got that guideline there that if we need to use it…. Yes, so I think all round, it's been a great process and we'll continue to work on it. It is supposed to be a working document." [Oliver2 – Ops Dir] "…two years later we revisited it and [Oliver] was talking about coming back and it was implications for how that would impact [dad], as the owner. He started the business first generation, would he feel that he's been kicked aside or would [Oliver] feel that he's just his little puppet boy or would there be individual roles, would there be conflict with [Oliver] and I, because we hadn't worked together ever before. I think because we put so much groundwork in when [Oliver] did come back, it was surprisingly smooth. He just slotted in and everybody picked up their roles and went with it. It was really bizarrely smooth." [Pippa2 – Mktg Dir] "[Consultancy] then collated all the information and I think they had a meeting with mum and dad presenting this is what each of the children think. It became a family constitution that everybody agreed that this is the way forward and that's reviewed every couple of years I think. I think they're trying to get it to review every year now…" [Pippa2 – Mktg Dir]

"…there's been shareholders' agreements drawn up and there's a family constitution of different roles about shareholding. Going forward say whereas my kids, would they have a right to the business or would they not, or if somebody gets divorced what would happen, those sort of shares, different trusts and different things that they would be…"

Interviewer: "So have [consultancy] helped you with all of that process?"

"Yes, absolutely, otherwise we would be sat there and going we don't know, what do you think, what do you think?" [Pippa2 – Mktg Dir]

Interviewer: "So the change in the shareholding and yourself and [Pippa] becoming directors, that emerged quite directly out of the discussions with [consultancy] - the succession discussions?"

"Yes, that's right. Yes, it did." [Oliver2 – Ops Dir]

"I definitely think that it's one of the best things we've ever done as a business, is looking at it from, like I said before like an early advancement into it. There's always been, I suppose every so often you would question things like is there a role for me going forward or if one of us get married and divorced, what implication would that have for the business? There is always some sort of questions that you didn't really have answers and you didn't really know, so you went along and trying to work out all out for yourself which is never really the answer. The fact that we all came together and yes, at times it was difficult or was emotional or it was draining, hearing other people's perspective of different things. Ultimately it's made us very strong as a family business but also as a family that we're all very open and trustworthy and could say if we have a problem…I think it's helped the business go forward too, because it's helped the business growth because we know that we can trust each other and we recognise each other's strengths and weaknesses." [Pippa2 – Mktg Dir]

"I definitely think engaging early with [consultancy] in the whole process of succession planning has helped the business. I think it's helped with [Oliver] coming back and that transition period, that being so smooth. I think because we had had the conversations about our fears, like his fears about coming back, my fears about him coming back, dad's fears about him coming back and mum's fear for all of us. How it would happen and how the relationships would interact. We had these discussions, they were very open and honest and it really really helped. It made us like I say trust each other and there was a lot of open conversation. We do know that we're all going for the same goal which is the ultimate success of the business and protecting the family unit at the same time. It makes it a lot easier, and I don't think we would have had it to that extent or known it probably. We probably would have had it, but it wouldn't have been spoken about or communicated or known that the other person was thinking the exact same thing as you, which I think could have made it a bit more difficult. I could see where the family businesses that could run into problems because people would start going 'what's he up to?'" [Pippa2 – Mktg Dir]

Appendix 17: Potential contributions working notes

Table summarising initial thoughts on potential contributions following completion of case analyses

Themes to emerge	Notes / thoughts	Grouping for cross-case analysis
Succession as complex & multi-stage process and critical event for FBs	Complementing existing literature – consider aspects of novel contribution	Section focusing on FBS and the multiple stakeholders involved
Importance of relationship between incumbent & successor, including gender issues at play and reluctance of incumbent to 'let go'		
Size & scale of businesses – influence of these factors on involvement of outsiders and succession processes/experiences		Examine presence across cases and exceptions
Openness to external thinking and input - contrast to many FBs/perception of FBs – helps shape use of externals to support succession	Think about reasons for this openness and any generational differences	
Various types of external input/influence re. succession, including experience of other FBs. Range of individuals and organisations with a role needs to be recognised.	Helpful to capture range and offer categorisation	
Wide range of resources accessed from external ties utilised to support succession	Capture and categorise the resources provided. Aspect of tie content – tie utility/ function. Think about where there is alignment with existing limited literature on FB advising and where adding something new.	
Substantial impact of external actors on succession processes & experiences	Capture tangible impacts and common themes across the cases	
Made connections through existing networks to identify sources of support - personal recommendations + institutional based trust + 'roll over' trust	Think about this relationship initiation phase, esp. types of trust in the connecting process	Section focusing on network tie content – relational embeddedness, including role of trust
Selective use of network ties - importance of nature of network ties (relational embeddedness) rather than position occupied by actors in the network		
Several externals good relationship with family members other than just incumbent – necessary to be involved closely in FB succession process?	Element of network tie content – how to understand what going on within and between ties?	
Different types of relationships with outsiders – features such as personal dimension, respect and closeness	Explore key dimensions of most important external network relationships – develop model?	
Key role of trust in understanding nature of external ties in FB succession context	Draw on trust literature to explore different types of trust and dynamic nature	
Strong (as well as weak) ties performing bridging function to new people & resources		

Themes to emerge	Notes / thoughts	Grouping for cross-case analysis
High frequency & long duration of contact not necessary for development of strong ties drawn upon to support succession	Bring together points on strong and weak ties to develop more nuanced conceptualisation	
Strong ties providing heterogeneity of info & resources		

Appendix 18: References

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