Sheffield Hallam University
Learning and Information Services
Adsetts Centre, City Campus
Sheffield S1 1WD

Sustainability of Family Business; Overcoming Generational Issues

Ali Sayyadi Zadeh

A thesis submitted in partial fulfilment of the requirements of

Sheffield Hallam University

For degree of Doctor of Business Administration

October 2015

Abstract

This research contributes to bridging the gap in the existing knowledge on sustainability of family businesses. It provides understanding that enables engagement with the theoretical processes underpinning transition. It is grounded in the context of Iranian family businesses, a field in which generational issues have not really been considered before. Furthermore, this research provides understanding of the process of transition from the perspectives of different generations. It thereby enhances family businesses' knowledge of how to grow their business across generations.

In both advanced and developing economies, the vast majority of business enterprises are family owned and together they account for most of the jobs created in the economy (Hisrich and Fulop, 1997; Danes and Stafford, 2008; Astrachan and Jaskiewcz, 2008). Furthermore, scholars have indicated that most family businesses are dysfunctional in transferring the business to the next generation (Feltham, Feltham and Barnett, 2005, Stafford,Bhargava, Danes, Haynes and Brewton, 2010, Lavinson 1971; Ward, 2004; Rodriguez, 2009; Miller and Miller, 2005). Hence, transition of family businesses to the next generation involves crises that threaten the sustainability of family firms.

The literature on family business and entrepreneurship has not fully investigated the sustainability of family business. This is especially true for firms outside of Western Europe and North America. To address this gap, the study examines a set of eight Iranian entrepreneurial family firms to understand how the family businesses in this region can sustain to the next generation. Therefore the purpose of this thesis is to understand how SME family businesses manage and overcome their generational issues to transit successfully to the next generation. The findings aim to inform family businesses and the practitioners how the conflicts and issues among young generation and senior generation family members can be managed in a way which will result in sustainability of the family business.

This study explores the common conflicts that exist between first, second and third generation family members which obstruct the continuity of family businesses in Iran. A qualitative approach was conducted to gather empirical data through in-depth semi-structured interviews with CEOs, family managers and non-involved family members from different generations at the selected SMEs. A purposive sampling technique and general analytical induction approach were used for data collection and analysis respectively. The analysis of the data produced three main themes: Sustaining Governance, Family Trust and Family Integration.

The findings of this research identified that, generational issues in Iranian family businesses are related to three main areas. These areas, categorised as *sustaining governance, family trust* and *family integration*, have not been explicitly identified in previous research or identified as the main areas of conflicts in family businesses. Furthermore, the findings of this research suggest how to consider and manage each area of conflict.

This research also identified *participative commitment* as a factor linking the derived three main themes in order to resolve issues and support sustainability of family businesses. Accordingly, the research reveals the importance of family members' engagement and participation in every stage of the continuity model. For instance, in developing plans and policies, it is essential to manage family members' expectations, build long term trust among family members and enhance family integration. These are recognised as important elements for the continuity of family business to the next generation. Therefore, participative commitment is recognised as a key concept supporting the sustainability of family businesses.

The main outputs from the present research are two practice-based models of 1) continuity process and 2) initiating and building a family business sustainability model. These conceptual models are discussed in chapter 4 (Figures 4.9 and 4.10). The models include elements which can help predecessors and successors in SME family businesses to define their strategy in sustaining to the next generation.

Dedication

I dedicate this piece of work especially to my dad, my mum, my wife, my brothers and my sister.

Acknowledgement

Firstly, I would like to thank my Director of Studies, Dr Murray Clark. Words are indeed inadequate to convey my sense of gratitude to him. His professional and moral support has been immense, and I consider him not just an academic mentor but also a personal friend indeed. His inspiration sustained my motivation, courage and determination to go on this academic journey and finish it.

Secondly, I am deeply indebted to my supervisors, Dr.Daniel O'Hare and Dr.Fariba Darabi, for their attention to detail and meticulous supervisory skills; they did indeed 'sharpen my thinking'. Dr.Darabi was always very supportive and painstakingly perused my thoughts in writing, coming up with critical and constructive comments which guided me in the right direction.

A special acknowledgment is dedicated to my dear friend and lovely cousin, Dr. Reza Aflatoonian to acknowledge his support and encouragement for my study, which started in 2006 even before I started my DBA. I cannot thank him enough.

I take this opportunity to thank all the participants who agreed to be interviewed to share their experiences, knowledge, thoughts and views. This research study would not be possible without their cooperation. In addition, I would like to thank all the staff throughout Sheffield Hallam University for their continuous friendly assistance; special thanks are due here to Mrs Liz Brealey.

I would also like to express my appreciation for the friendship of my great friends at the Research Centre in Unit 5, where I spent most of my time when finishing this thesis. I shared my happiness and frustrations with fellow friends from different parts of the world during the completion of this work. I wish to place on record the support of Dr Rui Su for her time and generosity in letting me discuss my thoughts and ideas with her. Special thank goes to my friends Hadi Kazemi and Dr.Hajar Fatourchian for their support and kind concern in supporting me.

Especial gratitude goes to my parents; my caring mother Zahra, who always encouraged me to aim higher in education, and my father Abbas, who has been supportive and kind at all stages of my life. I witnessed how they dedicated their life to their children, I cannot thank them enough.

I am especially grateful to my family and friends for providing their encouragement and support. Without the support of my family this research study would have stayed as a dream yet to be fulfilled. I would like to thank my wife, Sara, for providing her constant encouragement and patience to complete this study. Furthermore, gratitude goes to my brothers and sister for always praying for me to finish this project, especially my twin brother and Amir and my Little sister Fereshteh.

Last but not least I thank God for allowing me to put my trust in him and for giving me hope to finish this work.

Ali Sayyadi Zadeh
Oct 2015

Contents

List of Figures

List of Tables

Chapter 1: Introduction

This thesis is about succession planning in a family business. The purpose of this research is to develop a practical continuity model for family businesses which will put them in the mainstream of success. Furthermore, this research seeks to understand how family businesses can sustain to the next generation and successfully pass the family business to the new generation. The findings aim to inform family businesses and practitioners how the conflicts and issues between young and senior generation family members can be managed in a way which will result in sustainability of the family business. This is also my personal interest in this research as I come from a family business background. Therefore the purpose of this thesis is to understand how SME family businesses manage and overcome their generational issues to transit successfully to the next generation.

To achieve this aim, the first chapter of this thesis will first introduce family business and will discuss its importance throughout the world and its contribution to the economy. Then the chapter will continue by clarifying my personal interest in this research and will elaborate my personal journey in conducting the research. Then the research aims and objectives and contribution of this study will be illustrated. Finally, the chapter will map the structure of the research. The next part will start by explaining the rationale and background of the research.

1.1 Rationale

Scholars consider a family business as one where a single family controls both ownership and management within the organisation (Corbetta and Montemerlo, 1999; Jaffe and Lane, 2004; Barnes and Hershon, 1994; Donckels and Frohlich, 1991; Litz, 1995; Westhead, Howarth & Cowling, 2002; Osnes, 2011). According to Bowman (1991), a family business can be described as an interaction between the business and the family as two separate but connected realities which contain uncertain borders and different rules. Accordingly, family businesses may include several mixtures of family members in different business roles, including husbands and wives, parents and children, extended families, and multiple generations playing the roles of stockholders, board members, working partners, advisors, and employees (Carlock and Ward, 2010). Furthermore, in family businesses it is acknowledged that ownership remains largely concentrated within a single private family (Corbetta and Montemerlo 1999; Jaffe and Lane 2004). Therefore this research is about family businesses in which a family controls both ownership and management of the business.

In addition, family businesses play an important role in every nation's economy and their importance has been continually recognised by the academic literature since the early '90s (Lyman, 1991; Daily & Dollinger, 1992; Dunn, 1996; Fletcher, 2002; Rogoff & Heck, 2003; Ward, 2004; Zahra, Hayton and Salvato, 2004; Chrisman, Steier, and Chua, 2008; Milton, 2008; Zahra, Hayton, Neubaum, Dibrell, and Craig , 2008; Chua, Chrisman and Bergiel, 2009; Debicki, Matherne, Kellermanns and Chrisman, 2009; Steier, Chua and Chrisman, 2009, Kwan et al 2011). Relevance of family firms is combined with the importance of small and medium-size firms, that is, companies with under 500 employees (ISTAT, 1991). Hence, family businesses stand for an important form of work organisation within economies. Still, most small and medium sized enterprises are family business and a small but important number of very large businesses are still owned, and controlled, by private families (Scott, 1986; Karataş-Özkan, Erdogan, Nicolopoulou, 2011). Therefore many businesses around the world have been founded, formed and are run by a family.

It is also acknowledged that family businesses are the most important contributors to wealth and employment in almost every country of the world (Astrachan & Shanker, 2003; Stewart and Hitt, 2012). In both advanced and developing economies, the vast majority of business enterprises are family owned and together they account for most of the jobs created in an economy, which means family businesses contribute to the economic and social well-being of every society (Hisrich and Fulop, 1997; Carlock and Ward, 2010). These firms account for about one-half of Canada's gross domestic product (GDP) and employment (Feltham, Feltham, and Barnett, 2001) and in the United States, they are estimated to account for up to 49% of GDP and 78% of new job creation (Astrachan & Shanker, 2003), these figures being reflective of most developed countries around the world (La-Porta, Lopez-de-Silanes, & Shleifer, 1999; Karatas-Ozkan et al., 2011). Therefore, family businesses contribute to the wealth and employment of almost every economy on a big scale. As a result the existence and success of family businesses is very important for the success of an economy. Consequently, considering that the economic landscape of most developed and developing nations is dominated by family firms, and, considering that family businesses account for most of the GDP and new job creation in many economies, their sustainability is an important study field. Hence this study is designed to focus on this research area.

Statistics published by the European Commission (2006) show that in Europe as an advanced economic block approximately one third of enterprises will be transferred to the next generation by 2016. This has been calculated to amount to an average of 690,000 small and medium-sized enterprises, affecting 2.8 million jobs. Additionally, based on U.S. figures, family businesses suffer in transition periods and only one third of family businesses survive into the second generation and about 10% to 15% make it into the third generation (Ward, 2004). In other words, in the family business industry at least two thirds fail to make it to the second generation, and five sixths fail to make it to the third generation (Molly, Laveren and Deloof, 2010). Accordingly, transition of family business to the next generation involves issues that family businesses have immense difficulty surviving (Sorenson and Shanker, 2003; Zahra et al., 2004). Consequently the aim of this research is to investigate the main generational issues obstructing family businesses' sustainability and how to overcome them in transition of the business into the next generation. Therefore this research aims to understand these multi-generational issues and explore the plans and actions required for sustainability.

Accordingly, it is worth considering that a family business is fundamentally different from other forms of business (Sorenson, 2000; Astrachan & Shanker, 2003). The key difference is that the business activities of a family business are closely intertwined with the personal financial activities of the family, and also with power relationships, blood ties, emotional bonds and inheritance issues within that family (Astrachan and Astrachan, 1997; Stewart and Hitt, 2012). Accordingly, conflicts often begin due to the overlap of family roles and business roles (Sorenson, 2000; Miller and Le Breton Miller, 2013). For instance, the ways in which a person typically communicates within a family may not be appropriate in business situations. Similarly, personal concerns or rivalries may spill over into the work place to the detriment of the firm (Bowman-Upton, 1991). Additionally conflicts in family firms may arise from a variety of sources, such as ownership dispersion among family members, sibling rivalry, and identity conflict (Schulze, Lubatkin, & Dino, 2003). Consequently, mutual relationships between family and business systems make the study more complex (Sharma, 2004; Ward 2004). While some conflicts can be beneficial, others can negatively impact firm performance (Kellermanns & Eddleston, 2004). Finally, if conflicts result in irresolvable differences about the direction of the firm, they may undermine its survival (Wilson, Wright and Scholes, 2013). Consequently, family businesses face enormous conflicts between family members which threaten the continuity of the business. According to Sorenson (2000), Ward (2004) and Zahra (2004), these issues need to be managed and resolved in order to support the sustainability of a family business. Therefore, this research aims to understand the major issues that threaten the sustainability of family businesses. Thereafter, the research will focus on how to resolve the issues in order to present a model for sustainability of family businesses.

Moreover, the literature revealed that little management research attention has been dedicated to the complex family issues affecting family businesses (Ibrahim, Soufani and Lam, 2004; Molly et al., 2010). However, family issues play an important role in the management of family businesses. Examples of such issues include carry-over role, primogeniture (i.e. elder son takes over the business), and sibling rivalry (Sorenson, 1999; Sciascia and Mazzola, 2008; Shepherd and Haynie, 2009). In addition, Bowman (1991) listed a number of issues that most family businesses are faced with, including attracting and keeping nonfamily employees, limited opportunities for improvement, and the special treatment sometimes accorded family members. Family members' bitter feelings about outsiders being brought into the company, and qualifications of family members who are eager to participate in the business are among such issues that have been mentioned by other writers (Sorenson, 2000; Levsin, 1971; Ward, 2004). Moreover, other scholars have indicated additional issues relating to the study of family business, including family conflicts spilling over into the business environment, emotional rather than rational decision-making, autocratic paternalistic cultures, nepotism, confusing organisation, and rigidity in innovation, succession, and resistance to change (Neubauer and Lank, 1998; Sonfield and Lussier, 2004; Karatas-Ozkan et al., 2011). As a new and distinct field of study, researchers have adopted a multidisciplinary approach (Stewart and Hitt, 2012). These issues are important to investigate as they could cause disagreement and disrespect among other family members and could harm family relations, which could result in multigenerational conflicts (Bowman-Upton, 1991). Therefore this research intends to explore the nature of conflicts among family members and then consider how to overcome these conflicts.

According to various scholars, the beliefs, personality and values of the founding generation of the business influence the corporate culture of the family business (Bennis, 1986; Harvey and Evans, 1994; Haberman and Danes, 2007). The business culture and the family members' culture partially overlap and this may lead to conflict (Harvey and Evans, 1994). Succession and conflict are interrelated. 'Gender' is another variable in this complex equation (Ozkan et al., 2011; Osnes, 2011). However, most of the studies in the field of sustainability of family businesses have been conducted in western countries and family businesses in other countries may face different issues (Ozkan et al., 2011; Ward, 2004). Thus this research will consider family businesses in Iran, where there is a lack of data available in this regard. Furthermore, family businesses operating in the industrial sector will be considered, as the sustainability of family businesses in the other sectors may be different (Rodriguez, 2009). Therefore, this research is seeking to present a continuity model for family businesses that are operating in Iran's industrial sector, basing its consideration of survival of these family businesses on the literature and interviews.

According to Sorenson (2000), in order to manage family businesses issues, business and family should be kept separate; accordingly family members working in the business and other employees should be treated identically. In another respect, family members should be hired, promoted, and rewarded based on qualifications (Sorenson, 2000; Carlock and Ward, 2010). They should be monitored, and if they do not perform to set standards, then they should be fired, like other employees (Molly, 2010). Furthermore, in order to manage issues relating to payment of salaries to family members, division of profits among family members, family members' rivalries, who will take over leadership and/or ownership of the company when the current generation retires or dies, all these elements should be planned and made clear to all family members (Bowman-Upton, 1991; Sorenson, 2000; Levsin,1971; Westhead and Howorth, 2006; Sharma, 2004; Ward, 2004). This study therefore begins by investigating the agenda for research into family businesses issues which would help place family businesses in the mainstream of surviving (successful) entrepreneurial organisations.

Overall, it may be concluded that business transfers in general, and family business successions more specifically, are one of the most difficult steps in the life cycle of family firms and as such merit further investigation (Miller, Steier, Le Breton-Miller, 2003; Sorenson, Goodpaster, Hedberg & Yu et al., 2009). On one hand, the words succeed, survive, and fail have been used in the literature but no one has considered how many of the "failures" were actually successors or opened new opportunities for the next generation. On the other hand, most of the investigations in this area are based on western societies and there is a call for further studies in other contexts (Le Breton-Miller and Miller, 2003; Molly et al., 2010). Moreover, the literature regarding sustainability of family businesses is silent about the transition of family businesses in Iran and focuses instead on the US and Europe. Therefore, this research will focus on the survival of family businesses in Iran.

As the researcher comes from a medium size family business in Iran and he has great interest in the survival of his family business and finding answers to issues facing his family business, this research will focus on medium sized family businesses operating in Iran to understand how they can transit their businesses to the next generation. Consequently, this investigation aims to identify the family business issues that put the continuity of family businesses in most danger and how to resolve them (considering the data from medium size family businesses in Iran) and thereby enable family businesses to survive in the mainstream of successful businesses.

Overall this section has explained the purpose of this research, namely, to explore and assist the sustainability of family businesses. This section started by discussing the rationale and background of family businesses, their importance in support of the economy and their important role in developed and developing economies. Furthermore, the section indicated that a high volume of family businesses may be in a position to transit to the next generation; however they face generational issues which obstruct the transition of the business. Therefore, if their multigenerational issues are not resolved, most family businesses will not be able to survive to the next generation. Moreover, most of the research in this field has been conducted in the west and there is not much literature available regarding sustainability of family businesses in Iran. Therefore this research aims to study the sustainability of family businesses and present a practical sustainability model for family businesses in a new context. To achieve this aim, the research will focus on multigenerational issues and elaborate on how to manage and resolve these issues in order to support sustainability of family businesses in Iran.

As explained, the researcher comes from a family business background and sustainability of his family business has been his major concern. Therefore, his personal interest in this topic motivated him to conduct this research. The next section describes his personal story and how it relates to this research.

1.2 Personal Story

The last section discussed the importance of family businesses in every economy, the issues they face, and their high rate of failure in transition. This section will explain the importance of this topic for the researcher. His personal journey within the family business started 15 years ago when he started working for his father. The issues and conflicts that he has experienced in the family business, and his concern to protect his family and his family business in order to, peacefully, pass the business to the new generation, have been his motivation in conducting this research.

His family business started 30 years ago and the business has grown significantly during the past decades, from being a small business to become a medium size multinational family operated company within the region. The family business is a collection of companies, and the nature of business is designed for diversification and to be open to new business opportunities. The founder, the researcher's father, started his business journey in the 1960s and founded the family company in 1985. The business then diversified into different industries and sectors such as manufacturing, general trade, sales, and import and export of different products. During the last couple of decades the business has entered into the food industry, tea production, agrochemicals, and more recently construction. Nevertheless, motor oil and lubricants remains at the core of the business operations as this is where the business has been successful in Iran and in the Persian Gulf. Therefore, as the business was growing, the researcher and two other family members joined the business to support the business; hence it became a family business.

The author started his career with the family business in 2000 by working as a staff member in the sales department which was a part of the engine oil production company which was run by his father as the main business of his family at that time. Then he was promoted after 2 years to sales specialist and promoted again to sales manager after 4 years. He held this post for four years and was then appointed as quality assurance manager in the company. Afterwards, in 2010, he was selected as managing director of an agrochemical manufacturing company, a subsidiary of the family business. He has, therefore, been involved in the family business for the last 15 years, within different departments and companies.

The founder, as the head of the family and business, was keen for his children to work in the business and invited all of his sons to join the business after finishing their university studies. First of all the eldest son joined the business and after a few years the second son and then the researcher joined the business as the third son; but the second brother left the family business a few years after his initial engagement with the business.

In those days the family business was expanding into different sectors as the founder was open to different business opportunities. He then decided to allocate each involved family member to a particular business interest. Accordingly, the founder assigned the eldest son to manage tea manufacturing and construction business and asked the third son to run the agrochemical manufacturing company. The second son was assigned to run the company's international business abroad and the founder himself was to run the engine oil company (the mother company). The structure of the family members' involvement in the business changed from everybody working in one Mother Company to each family member running an individual subsidiary. Hence, when the business turned into a family business, its structure changed as the founder's sons became involved in the business and the business diversified into different sectors.

While working with the family members in the family business, the researcher experienced many issues, disagreements and unpleasant experiences. These issues sometimes not only made the working environment between family members difficult but also had a negative impact on family relationships. Accordingly, there were lots of disagreements between family members on various topics. Lack of experience, lack of transparency and lack of independency in the shadow of a successful founder and working with his father and brothers made the work environment difficult for the writer on various occasions.

Whilst the founder did try to resolve issues among the family members by talking to his sons and forgiving them, the issues were not necessarily resolved. Furthermore, these unresolved issues and unpleasant experiences were causing the family members to become tired of working together and putting family relationships and the future of the family business in danger. The founder has been trying to find the best way of resolving these issues in order to secure the continuity of the family business. Consequently, this research has been conducted in order to find a way to save this family business. This is the researcher's personal interest and motivation in this research.

Additionally, there was little literature available regarding the continuity of family businesses and their successful transition in Iran or in the region. The researcher found it very hard to find appropriate studies or literature on how family businesses can practically resolve their issues and successfully transit the business to the next generation. There was, also, a lack of data and literature on the Middle East, especially for Iran, on this topic. Consequently, this research was undertaken to obtain findings that would be beneficial for the researcher's family business and other family businesses in the region and around the world.

In this section, the details of the family business and its history the family members' involvement with the family business have been explained. Additionally some of the issues and conflicts among members of the researcher's family have been highlighted. Whilst this part explained the motivation for conducting this research, the next part will describe the research journey in order to further explain how this research has been conducted.

1.3 The research journey

The first section explained the importance of family businesses and the purpose of this research on sustainability of family businesses and the second section elaborated my personal interest and motivation for conducting this research. This section will review my research journey and will summarise how this research was conducted.

I started the journey of this research in June 2010, by reading around the family businesses topic: successes, transition, failures, issues, sustainability, and other factors. The more I read the broader the scope of the literature became. Then I started to narrow down the relevant literature around the topic for the literature review chapter. The process of writing, reading and narrowing down the literature resulted in the research questions. Then I took my philosophical position as an interpretive lens in the methodology chapter and designed the data collection for the research around semi-scheduled interviews in order to gather the best information from the family members. Afterwards, I interviewed family members from the first, second and third generations of active family businesses who were already involved in their family businesses in Iran. I also interviewed some non-family members and some non-involved family members in order to get the best impression of family businesses based on the aims and objectives of this research. The interviews were conducted by making appointments with family members, arranging the interviews and using a voice recorder during the interviews. Data collection lasted from June 2012 until April 2014, when I felt that only repeated data would come out of the interviews and consequently stopped interviewing.

After conducting each interview I transcribed the data and translated them into English, which took a considerable amount of time. Afterwards, I started analysing data by listening to the recorded interviews and reading the transcribed interviews and by comparing the answers of different generation family members as case comparison. As I faced such a huge bulk of data, analysis via noting and stickers was difficult and time consuming; therefore I decided to use Nvivo software 2010 in order to make the data analysis process quicker and more explicit. This software is powerful assistant data analysis software for conducting qualitative research. During the process of analysing data I coded the data in order to make nodes, then merged relevant nodes to form categories and afterwards merged relevant categories and created themes. From these, I came up with categories and subcategories and three main themes. The time consuming data transcription and data analysis process was completed in September 2014.

By completing data analysis, I moved to the writing up stage and started writing the finding chapters of the thesis. The findings came from the various themes; therefore each theme was discussed and evaluated in a separate chapter, which resulted in three chapters in total. Moreover, the findings have been supported with relevant literature and quotes from the interviews. After reviewing the data numerous times and drawing, discussing and completing seven initial models for sustainability of family businesses, I finally devised a logical conceptual model which presents how family businesses can survive to the next generation. Therefore the presented model met one of the aims of this research, which was to find a model for continuity of family businesses. The writing up stage was finished in December 2014, after providing three drafts and including the changes required by the supervisory team.

Overall this section explained the personal journey of conducting this research. Accordingly, this section explained the literature review, methodology, data collection process, data analysis process, writing up stage and how I arrived at a conceptual model for sustainability of family businesses. Furthermore, this section explained that each theme and the related categories and subcategories have been discussed in individual chapters which form the discussion chapters of this research. Additionally, the conceptual model is presented in chapter four and concluded in the conclusion chapter. Finally, I draw conclusions on the findings of this research in the conclusion chapter. Last but not least, the last chapter includes my personal reflection and explains how the findings of this research can help my family business to survive into the next generation. This part has explained the journey of the researcher in conducting this research, whilst the next paragraphs illustrate the aims and objectives of this research.

1.4 Research aims and objectives

As illustrated, family business succession is an under-studied field of research (Astrachan and Shanker, 2003; Ward, 2004; Jaffe and Lane, 2004; Steward and Hitt, 2012; Karatas-Ozkan et al., 2011). Furthermore there is a particular need for such research in Iran, where there is a lack of available knowledge on the successful transition of family business to the new generation. Hence the main aim of this research is to create a sustainability model for family businesses in terms of successful transition of the business to the new generation. In another respect, as discussed earlier and as also will be discussed in more detail in chapter two, family businesses suffer from generational issues between family members which obstruct the continuity of the family business (Goffee, 1996; Sorenson, 2000; Astrachan and McMillan, 2003; Carlock and Ward, 2010). Hence another aim of this research is to identify the main issues that exist among Iranian family businesses and how a family business can overcome these issues in order to achieve successful transition to the next generation. Moreover, this research aims to clarify whether family businesses use any succession planning and to create the best model for such planning. Therefore, one of the main aims of this research is to identify the main issues facing the continuity of family businesses in Iran and present a sustainability model to resolve such issues.

Overcoming multigenerational issues within family businesses has been discussed in the literature (Jaffe and Lane, 2004; Westhead and Howorth, 2006; Ward, 2004; Carlock and Ward, 2010; Sciascia and Mazzola, 2008). This research will first explore any succession planning that family businesses follow and compare the planning within different family businesses. This will enable creation of a sustainability model that will suit most family businesses, which is one of the main aims of the research. The other objective is to understand the governance structure that family businesses follow and whether it minimises generational issues or increases generational conflicts. This will help to compare the governance structures among different family businesses and create the appropriate governance structure that meets the sustainability model. Furthermore, in order to understand how to overcome generational issues, this thesis focuses on relationships among family members of different generations (older and younger generation) in Iranian family businesses, to identify potential areas of conflict and understand how to overcome them. Also, in pursuit of its aims, this research is looking to understand how the business turned into a family business, which will help to understand the reasons behind involvement of new family members in the business. The other objective is to explore whether new family members' involvement affects the family or the business. This will aid understanding of whether new members' involvement has supported the business and family or created opposite results. Understanding the generational conflicts and issues that family members experienced and the ways that family members could or could not manage or resolve them is one of the objectives of this research. This section has thus clarified the main objectives of this research, a summary of which is provided in the following bullet points:

i) Aims of the research:

- Create a sustainability model for family businesses guiding the transition of the business to the new generation successfully.
- To identify the main issues that exist among Iranian family businesses and how a family business can overcome these issues in order to achieve successful transition to the next generation.
- To clarify whether there is any succession planning among the family businesses and to then create the best model.

ii) Research objectives

- To explore any succession plans that family businesses follow and compare different family businesses' succession plans.
- To understand family members' participation in the strategic decision making process and any related conflicts.
- To understand the governance structures that family businesses follow and whether they minimise generational issues or increase generational conflicts?
- To focus on the relationships among family members of different generations (older and younger generation) in Iranian family businesses, and the family members' goals and business policies, in order to identify potential areas of conflict and understand how to overcome them.
- To understand how the business turned into a family business.
- To explore how new family members' involvement affected the family or business.
- To understand the generational conflicts and issues those family members have experienced and the ways that family members could or could not manage or resolve these issues.

The research aims and objectives led to formulation of the general research question: "How can a family business in Iran overcome generational issues and sustain to the next generation?" The main research questions will be introduced in the next chapter. Whilst this section has identified the aims and objectives of the research, the next part will clarify the contribution of the research to knowledge and practice.

1.5 Contribution of the research

The large numbers of family businesses that exist worldwide, their importance to national economies, their unique nature, and their high failure rate have attracted much interest from researchers (Jaffe and Lane, 2004; Steward and Hitt, 2012; Ward, 2004; Le Breton-Miller and Miller, 2003; Molly et al., 2010; Sorenson et al., 2009). However, very little literature or data exist regarding family firms operating in parts of the world other than western countries (Ozkan et al., 2011). Some conceptual models and approaches to the study of family businesses have been developed over time in pursuit of a better understanding of family businesses (Tagiri and Davis, 1982; Goffee, 1996; Carlock and Ward, 2004; Steward and Hitt, 2012). Therefore this study will enhance understanding of the under-researched field of multigenerational crises in family businesses in Iran. Consequently, as one of the aims of this research is to formulate a continuity model to support sustainability of family businesses, this research will contribute to the knowledge of sustainability of family business in general and specifically in Iran.

The findings of this research identified the main generational issues in Iranian family businesses as being related to three different areas, categorised as *sustaining governance, family trust* and *family integration*. These areas have not been explicitly identified in previous research, or identified as the main areas of conflict in family businesses. Furthermore, the findings of this research also suggested how to consider and manage each area of conflict.

This research identifies *participative commitment* as a factor linking the three derived categories and as a key concept with respect to helping resolve the generational issues and, hence, to supporting sustainability of family businesses. Accordingly, the research reveals the importance of family members' engagement and participation in every stage of the continuity model, in developing plans and policies to obtain and manage their expectations, build long term trust among family members and enhance family integration. These are minimum requirements for the continuity of a family business to the next generation. Therefore, participative commitment is recognised as a novel and key concept supporting the sustainability of family businesses.

The main outputs from the present research are two practice-based models of 1) continuity process and 2) initiating and building a family business sustainability model. These conceptual models are discussed in chapter 4 (Figures 4.9 and 4.10). The models include elements which can help predecessors and successors in SME family businesses to define their strategy in sustaining the business to the next generation. The models, therefore, constitute the contribution of this to knowledge, and the implementation of the models will be discussed in detail in chapter 4 and chapter 8 of this research.

As mentioned before, the researcher comes from a medium sized family business operating in Iran. The family business is suffering from multigenerational issues which put its continuity in danger. So this research represents a matter of keen personal interest for the researcher. This research will contribute to practice as its findings may not only help the researcher's family business but also could help other family businesses in the region that are suffering from similar issues.

This part has elaborated the contribution of this study to knowledge and practice. The next part will explain the structure of the thesis and outline the objectives for each chapter.

1.6 Structure of the research

This thesis includes eight chapters. The first chapter has so far explored the background of family business and its importance in the research context. It is suggested that this area of research deserves to be investigated (Ward, 2004; Steward and Hitt, 2012; Miller, Steier, Le Breton-Miller, 2004) at doctoral level, as it can inform family businesses, as an important sector of the economy, about the best model of practice for achieving sustainability. The chapter then illustrated the importance of the research and the purpose of the research. The chapter continued by telling "My Story" in the researcher's family business, which indicates his personal motivation for conducting this research. Then the research journey, detailing how this research has been conducted, was summarised. Afterwards the chapter illustrated the research aims and objectives and continued by identifying the contribution of the research to study and practice. Finally the chapter presented the structure of the research.

Chapter II reviews key academic theories and concepts used in the thesis. This chapter will start by reviewing the relevant literature around family business definitions, family business characteristics, and family business systems and will then turn to issues affecting family businesses and family business transition and succession plans. Therefore, by the end of the chapter the research questions will emerge.

Chapter III, the methodology chapter, discusses the research design as informed by the literature review. It explains in detail the research approach, research method, data collection process and sampling technique, data analysis approach, and the limitations and ethical considerations in this thesis.

Chapter IV comprises investigation of the data and a report on the findings. It explains the data analysis procedures by providing visual examples of the research data management from NVivo software. It also includes details of the participants and their backgrounds, and explores data which identify participants' major concerns regarding their family firms' continuity. In addition, this chapter outlines the emergence of the three main themes of this thesis from the empirical data, and explains the data reduction process. The chapter proposes a continuity model of sustainability of family businesses and also identifies and justifies participative commitment as the key element of a family business continuity model. Therefore, this chapter will inform the discussion of findings in the three following chapters.

Chapter V is the first of the findings chapters and engages with the first theme (Sustainable Governance) that emerged from the data. Discussion in the chapter is supported by the literature and also by quotations from participants and contributes to the sustainability model of family businesses which is developed through this thesis. Therefore the chapter meets the aims of this research by indicating the appropriate governance structure, including policies and plans that support the sustainability of family businesses.

Chapter VI, the second discussion chapter, discusses the second theme (Family Trust) that emerged from the data. This chapter discusses family trust and the elements of sustainable trust and its importance in resolving issues and achieving sustainability of family businesses. Again this discussion will be supported by participants' quotes and the literature, similarly to Chapter Five. Therefore this chapter contributes to the development of the family business sustainability model as the main aim of this research.

Chapter VII is the third discussion chapter and discusses the third theme (Family integration) that emerged from the data. The discussion, similarly to chapters five and six, is based on quotations from participants supported by the literature. Areas of discussion include the various purposes of family members' involvement and parents' role in preparing their children for the business and emotional ownership as important factors in sustainability of family businesses. By showing how this theme affects the continuity model for family businesses, this chapter meets the aims and objectives of this research.

Chapter VIII provides a conclusion to the thesis. The chapter reviews key findings and, therefore, the contribution of this thesis to knowledge and practice. It includes the key recommendations in relation to family businesses. It also highlights the key strengths of the research and some limitations, and makes suggestions for further research. The chapter ends with personal reflection on the thesis journey.

The next chapter will review the literature about family businesses, concepts and definitions, and will focus on issues relating to their sustainability.

Chapter 2: Literature review

The aim of this chapter is to review what is already known about family businesses. Accordingly, it starts by exploring what a family business is. In order to have a better understanding of family businesses, the chapter will focus on what characterises a family business. Then, based on the literature, key generational issues affecting family businesses will be explored. The chapter will continue by exploring cross-national differences and will finish by considering how to resolve the issues and create a dynasty. This chapter will start by exploring what a family business is.

2.1 Family-owned company

2.1.1 Family business concept

The literature provides abundant evidence regarding the importance of family business and its significance has been documented by numerous scholars (Bateson, 1972; Bowen, 1978; Guerin, 1976; Haley, 1976; Minuchin, 1974; Satir, 1967; Watzlavick, Beavin Bavelas, and Jackson, 1967; Eddleston, Chrisman, Steier, 2010; Larsen, 2006; Massis, Chua and Chrisman, 2008; Stanley, 2010; Zahra, Hayton and Salvato, 2004; Carlock and Ward, 2010). However, the concept of the family business itself is still vague and there is no clear understanding of what constitutes a family business (Stanley, 2010). According to Chua, Chrisman and Sharma, (1999), this vagueness is mainly due to the fact that this is a comparatively new research field (Low & MacMillan, 1988; Basco & Rodriguez, 2009). Therefore, understanding family businesses is an under-studied topic that requires more research and the current study aims to contribute to bridging this research gap.

However, regardless of the diversity of conceptions, the undeniable fact is that this type of business is of concern to the major world economies, as Wang, Walker and Redmond (2007) state that family business is estimated to account for two-thirds of all enterprises worldwide and contributes almost half of the GDP in most of the world's countries. In both advanced and developing economies, the vast majority of business enterprises are family owned and they account overall for most of the jobs created in the economy (Hisrich and Fulop, 1997). Furthermore, family businesses contribute to the economic and social well-being of societies (Sorenson, 2000). In the United States, family businesses are estimated to account for up to 49% of GDP and 78% of new job creation (Astrachan & Shanker, 2003), these figures being reflective of most developed countries around the world (La-Porta, Lopez-de-Silanes, & Shleifer, 1999). Additionally, family businesses continue to stand for an important form of work organisation within economies (Goffee, 1996). Most small and medium sized enterprises are family businesses and a small but important number of very large businesses are still owned and controlled by private families (Scott, 1986; Karataş-Özkan, Erdogan & Nicolopoulou, 2011). Consequently, family businesses are an important form of business for any nation's economy and an under-studied research area to which this research will contribute.

There is growing agreement about the relevance of family firms to the economies of many countries in the world (Deniz and Suarez, 2005; Chrisman et al., 2003). For instance, Gersick et al. (1997) state that in Britain and the USA, 75 and 80 percent of all firms, respectively, are family-owned or controlled businesses. Meanwhile, referring to family firms' presence in European countries, common estimates include: France, 60 percent; Germany, 60 percent in 1995; 84 percent in 2000; The Netherlands, 74 percent; Portugal, 70 percent; Belgium, 70 percent; Spain, 75 percent; Sweden, 75 percent; Finland, 75 percent; Italy, 80 percent; Greece and Cyprus, 75-80 percent, among others (Rodriguez, 2009). Meanwhile, in Latin America, numbers vary between 70 and 80 percent (i.e. Argentina, Chile, and Uruguay) and 85-98 percent (i.e. Mexico and Brazil) (Rodriguez and Bontis 2007). The situation in Australia is similar, with family firms representing around 75 percent of the overall business stock. In India, they account for 80 percent; while in China they represent a powerful economic driving force (SCMP, 2006). In the same way, evidence has shown that family firms play a significant role in emerging and developed economies in terms of GDP growth and employment (Carraher, 2005; Carraher and Carraher, 2006). In addition, family firms generate about 40-45 percent of the Gross National Product (GNP) of North America, between 35 and 65 percent of the GNP of the EU member states, between 50 and 70 percent of the GNP of Latin

America, and between 65 and 82 percent of the GNP of Asia (International Family Enterprise Research Academy (IFERA, 2003). Indeed, a number of world-class firms, such as Wal-Mart, Michelin, Armani, Home Depot, IKEA, Ford Motor Co., Samsung, LG, Cargill, Tata Group, Cemex, Du Pont, IKEA, Grupo Carso, Michelin, are classified among the world's 250 largest family-run companies, each with annual revenues of at least $1.2 billion (Miller and Le Breton Miller, 2004; The Family Business Magazine, 2004; Astrachan & Shanker, 2003). Many of these dominate not only their local economies, but also the global market, reaching far beyond their national borders (The Family Business Magazine, 2004). Therefore, family businesses play an important role in job creation and generating wealth in almost every economy around the world. Consequently, this study will support not only family businesses themselves but also their role in the world economy.

Furthermore, families make a substantial contribution to the economy via their family businesses (Heck and Stafford, 2001; Haynes, Walker and Rowe, 1999; Shanker and Astrachan, 1996). Based on data in the 1997 NFBS (National Family Business Study) (Stafford, 2002), in 1996, family owners risked over US$86 trillion in family assets— not business assets—for the support of their businesses. They used over US$29 trillion to secure business loans from financial institutions and lent their businesses another US$57 trillion and in that same year, 21.6 million family members worked in their businesses without pay (Olson, Zuiker, Danes, Stafford, Heck and Duncan, 2003). Additionally, family businesses generated over US$10 trillion in gross revenue, which means over 60% of U.S. business revenue in 1996 was generated by family businesses (Heck and Stafford, 2001). These facts reinforce the significance of family businesses and the substantial investment the owning families make in their businesses (Olson et al., 2003). Consequently, family businesses are important for the economy's structure, and for the benefit of both the economy and the owning families it is important to ensure that family businesses continue to exist for a long time.

As mentioned before, family businesses play an important role in the economy of every country around the world and consequently their continuity is important to the support of the economy. This renders especially important the fact that

that there is vagueness in the literature about what constitutes a family business (Gaskill, Auken and Mannung, 1993). However, in 2000, according to National Family Business Panel (NFBP), 69% of all businesses closing between 1997 and 2000 did so for personal or family reasons. Furthermore, scholars have indicated that most family businesses are dysfunctional in transferring the business to the next generation (Feltham et al., 2005, Stafford et al., 2010, Lavinson 1971; Ward, 2004; Rodriguez, 2009; Sorenson, 2000; Miller and Le Breton Miller, 2005). Therefore, the continuity of family businesses is an important research field and consequently this research aims to create a sustainability model for family businesses that is appropriate to as many as possible of them.

The above sections emphasised the importance of family businesses around the world and the fact that these important economic promoters should continue to exist for a long time. However, according to the presented data, there is a high failure rate among family businesses regarding their long-term survival. Additionally, this is a new and under-studied field of research and there is vagueness on what a family business is. Therefore, in line with the research aim of studying sustainability of family businesses, this research will start by discussing characteristics of a family business.

2.1.2. Family business characteristics

In order to have a better understanding of family businesses there should be clear criteria for differentiating between family and other forms of business. Family businesses have usually been found to be more profitable (Daily and Dollinger, 1992; McConaughy, Mendoza and Mishra, 1996; Pieper & Klein, 2007), provide better customer service (Lyman, 1991), and offer a wider commitment to the community (Dunn, 1996; Niehm, Swinney and Miller, 2008) compared to non-family businesses. There are two main models expressing the family business characteristics: the Mustakallio (2002) model and the Hollander and Elman (1988) Model. Both models will be discussed next.

2.1.2 a: Mustakallio family business characteristics model:

Mustakallio (2002) proposes a framework based on different factors to distinguish family businesses. The presented framework includes (i) ownership; (ii) family involvement in management and in the strategic process; (iii) generational transfer; (iv) family views of longevity and its intention to continue as a family business; (v) family goals; and (vi) interaction between the family and business. Therefore, the next part will expand upon each factor based on the Mustakallio (2002) framework for distinguishing family businesses.

i. Ownership

It is acknowledged that the ownership of a family business remains largely concentrated within a single private family (Corbetta and Montemerlo, 1999; Jaffe and Lane, 2004). Barnes and Hershon (1994) consider a family business as one over which a single family has overall control, while for Donckels and Frohlich (1991) asset ownership is more important than management control. Litz (1995) considers a family business as one controlling both ownership and management within the organisation. Lansberg, 1988, meanwhile, defines a firm as family-owned when members of the same family have legal control of its belongings. Moreover, Sciascia and Mazzola (2008) argue that family presence in ownership can be a benefit or a disadvantage, depending on the nature and level of family influence over the business. Consequently, as a characteristic of a family business, the ownership of the business remains within a family. Therefore, the nature of the ownership should be considered in research on a model for family firms' continuity as the business's transition to the next generation consists of ownership transition, which has been identified as a characteristic of family business. The second factor presented by Mustakallio 2002 in differentiating family businesses from non-family ones is the involvement of family members in the management, which will be discussed in the next part.

ii. Family involvement in management and in the strategic process

Family businesses in the first generation are usually dominated by the values of the founder and the presence of family members in strategic positions such as executive or management boards, and their influence over the business is the most distinctive aspect of family business for Bornholdt (2005) and Handler (1989). Therefore, the owner's strategies are expected to influence the development of the business (Basu, 2004). It has been well documented that in the majority of first-generation family businesses, the ownership and control of the business is in the hands of the owner/founder (Harvey and Evans, 1994; Carlock and Ward, 2001). In first-generation family businesses usually the founder is the sole controller of the firm, as the ownership remains with him/her (Lansberg, 1988; Harvey & Evans, 1994; Ward 2004). However, as the business grows, more members of the family need to be involved in the process, which in turn results in relationship conflicts due to the limited power of the other members in the decision making process (Ibrahim, Soufani and Lam, 2004). In contrast, Kellermanns, Eddleston, Barnett and Pearson (2008) indicate that participation of more members in decision making in the family firm will reduce the level of conflict among family members, due to their increased sense of involvement. First-generation family businesses are usually paternalistic in approach and hence reluctant to use professional forms of management external to the family, while in decedent controlled companies this practice is more common (McConaughy and Phillips, 1999). Consequently, in family businesses the involvement of new family members may cause conflict due to change in the first generation's sole decision making process and their paternalistic approach. Therefore, in the search to create the best model for sustainability of family businesses according to the aims of this research, the involvement of new family members and their effects on the family business and possible conflicts will be considered. This family business characteristic is considered in the objectives of this research (1.4 aims and objectives).

Davis (1983) claims that if family members have a significant influence on business politics and direction, this is enough to characterise it as a family-owned company. The family business is a business governed and/or managed by a dominant coalition controlled by members of the same family or a small number of families which is potentially sustainable across generations of the family or families (Chua et al., 1999, p.25). Accordingly, the dominant coalition is the one that fully controls the organisational agenda. Therefore, if the family is the dominant coalition within the business it is considered a family business, regardless of ownership control or participation of the family in management. Consequently, in order to create a continuity model for family businesses, the family members' participation in the business politics and strategic decisions and their involvement in power conflicts should be considered as characteristics of family businesses. Participation, conflicts and strategic decisions are designed to be considered based on the objectives of this research (see aims and objectives 1.4). According to Mustakallio (2002), another factor that characterises family business is generational transfer.

iii. Generational transfer

A family business is defined as a business that is created or acquired by a family, belonging only to the first and founding generation of the family (Yan and Sorenson (2006). New-generation family businesses are highly dependent on leadership by their founders, who are usually involved in the management (Lansberg, 1988). Moreover, founders establish the cultural shape of family-owned firms according to their own personalities (Dyer, 1986). In contrast, Davis (1983) believes that if family members have sufficient power to influence the direction of the business, even if they are not part of the management of the company, then that should be considered a family business. Although controlling ownership and management of the business by a family could cause it to be categorised as a family business, this is not sufficient for such consideration (Chrisman, Chua and Steier, 2003). Therefore, in a family business, a family controls ownership and management of the business as well as having enough power to influence the direction of the business.

Additionally, Davis (1983) considers the intention to achieve succession to the next generation as another characteristic of family businesses. Ward (1987) verified that expecting transfer of control of the family business to the next generation is an important element in its classification as a family business. Moreover, Chua, Chrisman and Sharma (1999, p.25) follow a similar logic in explicitly stating that a family business is a business governed and/or managed by members of a family with the intention to sustain it across generations. Dean (1992) supports this view and states that family businesses often offer a professional background for children in the family. In fact, succession within the family and intergenerational aspects of the business have been widely accepted as the main characteristics of a family business (Royer, Simons, Boyd and Rafferty, 2008; Bigliardi and Dormio, 2009; Janjuha-Jivraj and Spence, 2009; Mitchell, Hart, Valcea and Townsend, 2009; Van der Merwe, 2009; Howorth, Rose, Hamilton and Westhead, 2010). A few scholars, such as Donnelley (1988), take the extreme view of recognising a business as a family business provided that it has lasted for at least two generations within the same family. Therefore in the journey of creating a sustainable model for a family business, intergenerational aspects of business and providing professional background for new members need to be considered. Family businesses' succession planning was considered as one of the objectives in the design of this research (see aims and objectives 1.4). The next part will discuss other characteristics of a family business, namely, the longevity view and intention to continue.

iv. Family view on longevity and the intention to continue as a family business

From this perspective, a business should be considered a family business when the members of the owning family '*strive to achieve and/or maintain intraorganisational family-based relatedness*' (Litz, 1995, p. 103). For Hoy and Verser (1994), the owners of family businesses should be devoted to ensuring their businesses continue to exist and thrive over the long term. Therefore, it is often suggested that while first generation family-owned firms need to possess the special technical or business backgrounds necessary to start a business, subsequent generations need to be focused on maintaining and enhancing their business's growth and success (McConaughy, Walker, Henderson and Mishra., 1998).

It has been widely discussed that the intention of continuous family involvement in the future of the business is a crucial aspect for a family business (Neubauer and Lank, 1998; Chrisman et al., 2003). However, Donnelley (1988) argues that a family business has to have survived at least for two different generations under family control to be characterised as a family business. This dominant vision of continuity of control within the same family (Donckels and Frohlich, 1991) is best achieved through a well-planned succession process, allowing change and reducing confrontation. Hence, family businesses have a view of longevity and under this view they invite and encourage new family members into the business. According to this view, one of the characteristics of family businesses is to plan the succession process and plan to reduce conflicts in order to survive to the next generation. Therefore, this research will consider this characteristic based on its objectives to consider family businesses' succession planning and any policy or plans to reduce confrontation (see aims and objectives 1.4). Consequently, the longevity view and involvement of new family members in the business will be considered in creating a family business sustainable model. The next characteristic of family business to be discussed is family goals.

v. Family goals

Donnelley (1988) identifies a company as a family business where there is mutual influence between its business policy (vision, values and goals) and the interests and goals of the family. In addition, Sorenson, Goodpaster, Hedberg and Yu (2009) argue that to understand the family business it is necessary first of all for family members to share the values and objectives that guide it. Accordingly, Olson et al. (2003) state that a family business has both economic and non-economic goals; this mainly refers to the relationship of the company with its stakeholders, both internal and external. As a result, there should be a clear understanding of the business goals and how different aspects of the business are aligned around this goal to avoid future conflicts being caused by pursuit of different objectives (Astrachan and McMillan, 2003). Therefore, the family business's economic and non-economic goals, based on the family's goals and business policies, will be considered in order to create a continuity model for family businesses. The next part illustrates other characteristics of a family business.

vi. Interaction between the family and business

Davis (1983) claims that it is precisely the kind of interaction between family and business that characterises the nature of a family business and defines its uniqueness. Involvement and interaction of family and business enhance skills and ability within the business (Chrisman et al., 2003). In a recent study, Nordqvist (2012) introduced family interaction as the main feature in adopting a dynamic process for strategic guidance of a business which is deeply influenced by family values. Not only does this interaction characterise the family business but it can also result in better outcomes for the company and create a unique competitive advantage. However, Martinez, Stohr and Quiroga, (2007) point out the negative aspects of such interaction, such as overlapping of family and business issues, nepotism, resistance to change, all of which need to be dealt with. Therefore, interaction between family and business and family values which influence the family business should be considered as factors in the process of creating a continuity model.

2.1.2 b: Hollander and Elman family business definition model

In the same line of thinking to Mustakallio's 2002 framework for characterising family businesses, Hollander and Elman (1988) propose four distinct approaches for characterising family businesses: rational, founder's role, growth stage, and systemic approach.

i. Rational approach

According to the rational approach, in a family context, usually feelings rather than logic control the decision making process. Danes, Zuiker, Kean and Arbuthnot (1999) define the company as being the rational arena and its family members as being the emotional. In fact, family members as the core of the business are tied by strong emotional bonds (Davis, 1983) which inevitably affect the business, as these emotions, rather than logical business approaches, dictate strategic decisions. Accordingly, this conflict of feeling and logic in control of business causes conflicts between family needs and business needs (Olson et al. 2003, Ward 2004).Therefore, creating a balance between family needs and business needs in order to manage the possible family member's conflicts will be considered in making a sustainable model for family businesses. The next approach for characterising a family business to be discussed is focus on the founder.

ii. Focus on the founder

The founder, as Hollander and Elman (1988) affirm, occupies a central position in steering the company's destiny, as the personality and character of the founder shape the strategic performance of the company and influences its operational culture to a large extent. The authors state that usually the founder brings values and rules into the company under his/her management. However, as the company grows and the need for more professional management appears, conflict emerges due to the resistance of the founder to delegating and employing professional executives or even passing the business on to the successors, which mainly derives from their concern to protect their legacy (Janijuha-Jivraj and Spence, 2009). However, as Ward (1987) points out, there should be new management practices in place for hiring and promoting staff should the company intend to outlive its founder. Therefore, the role of the founder in forming the family business and preparing the new generation for taking the power will be considered according to the aims of this research. The next approach to be discussed for characterising family businesses according to Hollander and Elman 1988 is focus on stages of growth.

iii. Phases and stages of growth

There are different stages of stability and transition in the lifetime of a company, caused by changes in various aspects of the business (Ward 2004). Hollander and Elman (1988) identify three different managerial practices in a family company, relating to three different generations within the business: paternal and entrepreneurial management by the first generation (founder), a second generation management style which they refer to as "brotherlike" management, and finally, collective management of a family network run by the third generation. Therefore, the characteristics of family businesses in each of these stages are different. Consequently, the continuity model of family businesses should be suitable for each phase of growth. Life cycle changes and the relative changes to ownership and management will be considered (see 2.2) in order to gain better understanding of these phases' changes and their effects on the sustainability of family businesses. The final approach to be discussed according to Hollander and Elman's (1988) framework for characterising family businesses is the systemic approach.

iv. Systemic approach

Distelberg and Sorenson (2009) affirm the perception of family businesses as highly complex systems. According to them, since the early '90s, driven by a systemic approach, a school of thought has been developed to gain deeper understanding of the interaction between the family and business. Accordingly, Tagiuri and Davis (1982) developed a model of family business referred to as "3-circle", in which the alignment of three independent but overlapping subsystems of family, business, and ownership represents the essence of a family business (see figure 2.1). Following their previous work, Tagiuri and Davis (1996) proposed a referential framework of family businesses that represents three independent but overlapping subsystems: business, ownership, and family. A person who is part of the family firm system can position himself/herself in each one of the seven sectors that are formed by the overlapping circles of the subsystems. Additionally, Parker (2004) praises the model in terms of illustrating the role of individuals in fulfilling the goals of each subsystem as well as the whole family business.

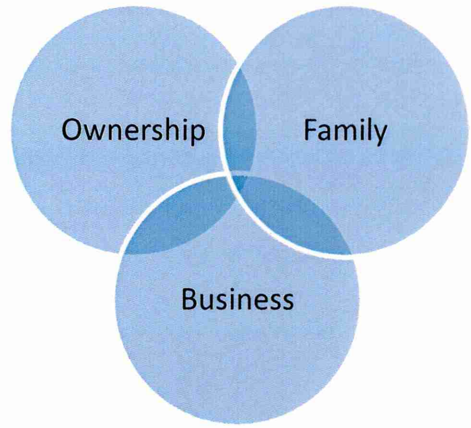


Figure 2.1: Three circle family business model by Tagiuri and Davis, 1982

Furthermore, McCollom (1992) indicated that the strength of a family business depends on parallel developmental processes happening in all three subsystems (Family, Business and Ownership). Similarly Davis (1983) puts forward the idea of a "joint system", based on the needs of family and business collectively, which serves to achieve the goal of the whole. It has been empirically tested that considering the family and business as parts of a whole system results in better governance (Basco and Rodrigues, 2009). On the other hand, the need for specifically tailored structured processes for addressing the family related problems in a separate but related context to the business issues has been highlighted (Davis and Stern, 1988; Mustakallio, 2002). According to Hollander and Elman (1988), family and business are two interlinked and interdependent processes that need to be understood simultaneously and effectively managed to evade potential conflicts (Olson et al., 2003). Therefore, according to the Tagiuri and Davis (1982) model, family businesses consist of three overlapping, different and independent entities which characterise family businesses and could be the sources of issues. Consequently, any practical sustainability model that represents the continuity of family businesses needs to include family, business and ownership circles as a whole system in order to minimise the issues and support continuity of the family business. This research will consider the family business as system characteristics, in seeking a sustainable family business model.

It becomes evident from the above discussion, especially on comparing the Mustakallio (2002) and Hollander and Elman (1988) family business definition models, that involvement, ownership, interaction between family and business and generational transfer are components of a family business. More specifically, generational transfer, the main interest of this research, is a part of family businesses.

Considering the given definitions on the above two models, certain criticisms emerge in relation to the components of these proposed models. The following paragraphs reflect some of these criticisms.

First of all, Mustakallio (2002) indicates that in a family business, the ownership of the business should transfer to the next generation. Furthermore, he suggests that the goals of the family and the aims of the business should be considered as they may not necessarily be on the same lines. Accordingly, Olson et al. (2003) state that a family business has both economic and non-economic goals. As a result, there should be clear understanding of the business goals and how different aspects of the business are aligned around these goals. Differences among family members over family and business goals will cause conflicts in the future and will often result in family members pursuing different objectives, which will threaten the ownership transfer (Astrachan and McMillan, 2003). Furthermore, Hollander and Elman (1988) support this idea and caution that creating a balance between family needs and business needs is necessary in order to manage possible conflicts among family members. Despite the necessity for clarity between family goals and business goals in the transfer of ownership of the business to the new generation, their model did not consider how to create this balance between family needs and business goals. For instance, there was no consideration of economic and non-economic goals among family members. In addition, both authors considered only financial ownership transfer and neglected emotional ownership and its possible effect on sustainability of family businesses and transferring the business to the new generation. Furthermore they did not consider family members' integration in the business to be necessary for ownership transfer. Hence, the models presented by Mustakallio (2002) and Hollander and Elman (1988) fail to consider the potential effects of non-economic goals and non-financial ownership on ownership transfer and continuity of family business.

Secondly, Mustakallio (2002) indicated family involvement as a characteristic of family businesses. Furthermore, he mentioned generational transfer and a view of longevity as the main characteristics of family business. In the same vein, Hollander and Elman (1988) proposed different stages for family businesses in terms of family members' involvement into the business. However, they did not consider how to transfer the business to the next generation or whether the involvement of family members into the business is enough for achieving continuity of the family business. In other words, they did not consider the aims of involvement or the notion of active participation and commitment. Therefore, the models of Mustakallio (2002) and Hollander and Elman (1988) do not include the elements of longevity and generational transfer.

Thirdly, Mustakallio (2002), in his family business model, argues that interaction between family and business enhances skills and ability within the business (Chrisman et al., 2003). In a recent study, Nordqvist (2012) introduced family interaction as the main feature in a dynamic process for strategic guidance of a business which is deeply influenced by family values. Not only does this interaction characterise the family business but it can also result in better outcomes for the company and create a unique competitive advantage. Additionally, the Hollander and Elman (1988) model proposed a systematic approach to family businesses that includes interaction between family, business and ownership as three different entities that overlap each other. However, they did not suggest how to create balance between these different entities in order to support the family, the business, and its continuity. They also failed to mention the role of trust among family members in terms of maintaining a balance between family, business and ownership and thereby helping to sustain the family business. Therefore, their model did not include the elements of family business sustainability.

Given the above discussion, the definition proposed by the European Commission's Enterprise and Industry Directorate-General (2009) seems to be the most appropriate for the purpose of this research into understanding family business. The definition expresses that: a firm, of any size is a family business if the majority of decision-making rights are in the possession of the natural person(s) who established the firm or acquired the share capital of the firm, or in the possession of their spouses, parents, children or children's direct heirs, and at least one representative of the family or kin is formally involved in the governance of the firm. In the same way, the indefinite nature of the concept was indicated by the European Commission's Enterprise and Industry Directorate-General (2009), by taking into account disparate aspects such as family ownership, involvement in management, strategic control, business as the main source of income for the family, and intergenerational transfers. However, as Sharma, Hoy, Astrachan and Koiranen (2007) state, a common feature of the majority of these definitions is that they are not operational. Therefore, ownership is the core feature which distinguishes family from other forms of business. The next part discusses the typology of family firms in order to consider family businesses, based on their size, according to the aims of this research.

2.1.3 Typology of family firms

The characteristics of family businesses differ based on differences in their size (Carlock and Ward, 2010). Moreover, Mintzberg (1979) classifies family businesses into two groups based on their size and management system: small and medium sized companies with centralised control, and larger organisations and public companies with decentralised control. Despite the different classifications, undoubtedly all family businesses are prone to conflict as a result of the intense interaction of family and business, which are two different institutions (Sardenberg, 2013). Therefore, according to the aims of this research, medium sized family businesses will be considered in conducting this research.

To conclude, in this research for a sustainability model for family businesses, section 2.1.1 highlighted the importance of family businesses around the world. The section continued by demonstrating that family businesses, as important economic promoters, should exist for a long time. However, according to data presented later in this section, there is a high failure rate among family businesses and many of them cannot survive to the next generation. Additionally, it is indicated that family business is a new and under-studied field and there is vagueness on what a family business is. Then, this part discussed family business characteristics, based on the Mustakallio (2002) and Hollander and Elman (1988) frameworks. Each of these factors and their relation to this research has been discussed in order to understand the nature of family businesses. The relationship of the frameworks to the aims of this research has been clarified in each section. Finally in this section, the typology of family businesses was discussed and it was indicated that, based on the study aims, this research will focus on medium sized family businesses.

Various approaches have been adopted in the study of family businesses. As indicated in the phases and stages of growth according to the Hollander and Elman (1988) framework, ownership configurations and management change based on the lifecycles of family businesses. Therefore, in the search for a sustainability model of family businesses, the next parts will focus on life-cycle changes within family businesses as this may help to explain the effects such changes have on family businesses over time, and the reasons behind their success or failure, in the search for a family business sustainability model.

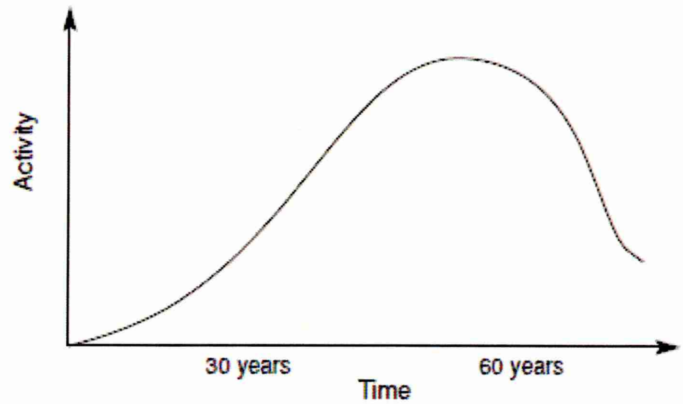
2.2 Life-cycle approach to the study of family businesses

Gersick, Davis, Hampton and Lansberg, (1997) claim that any model unfolding family businesses should consider time and change in order to reflect the real world accurately (Gersick et al.,1997). In their view, businesses evolve through some type of life cycle. In terms of the life-cycle approach, family businesses can prepare themselves for the personal and organisational developmental tasks they will face in the future by considering people, families and businesses as dynamic entities undergoing cyclical processes of birth, growth, and decline (Gersick et al.,1997).

Various typologies have been used to describe the different stages of an organisation or business life cycle (Dunn, 1996). Goldberg and Wooldridge (1993), Leach (1990), Carlock and Ward (2010) and Neubauer and Lank (1998) have discussed various business developmental models in the context of understanding the family business. Neubauer and Lank (1998) proposed that the challenge is to find ways of clearly describing the complex evolutionary patterns of human organisations in general and family businesses in particular, because the governance of a family business should be guided by its position in the evolutionary life cycle. The life-cycle models were developed in literature from individual physiology, organisational theory and family business theory (Barnes and Hershon, 1989). Accordingly, in terms of durability, effective owners must ensure that the business has qualified leadership (careers), correctly allocates financial resources (capital), follows a plan (control), maintains the family's values (culture) and resolves disputes (conflict) (Carlock and Ward, 2010).

As the business grows, transferring ownership and management across generations presents many challenges (As discussed in 2.1.2) in today's complex business environment. Family businesses must cope with endless industry related and organisational decisions while simultaneously planning for the management and ownership transitions driven by individual and family life cycles (Carlock and Ward, 2010). These challenges are not unique to a particular family enterprise. Rather, they are related to predictable transitions that occur as both families and businesses grow and mature (Carlock and Ward, 2010). Families and their businesses must address life cycle change because it is a biological inevitability (Churchill and Hatten 1997). Figure 2.2 shows the human life cycle from birth, through growth and development, to the highly productive adult years and then phase-down. In a family business, managers and owners have the most influence during their adult years, from around age 30 until they peak in their 60s or 70s (Carlock and Ward, 2010). Moreover, the life cycle of the business is similar to the life cycle of owners (Ward, 2004). Therefore, in the search for creating a continuity model for family businesses, which is an aim of this research, the life cycle of the family business and its influence on the family members, management and transition of the business need to be considered.

Figure 2.2: Human life cycle: Biological Imperative



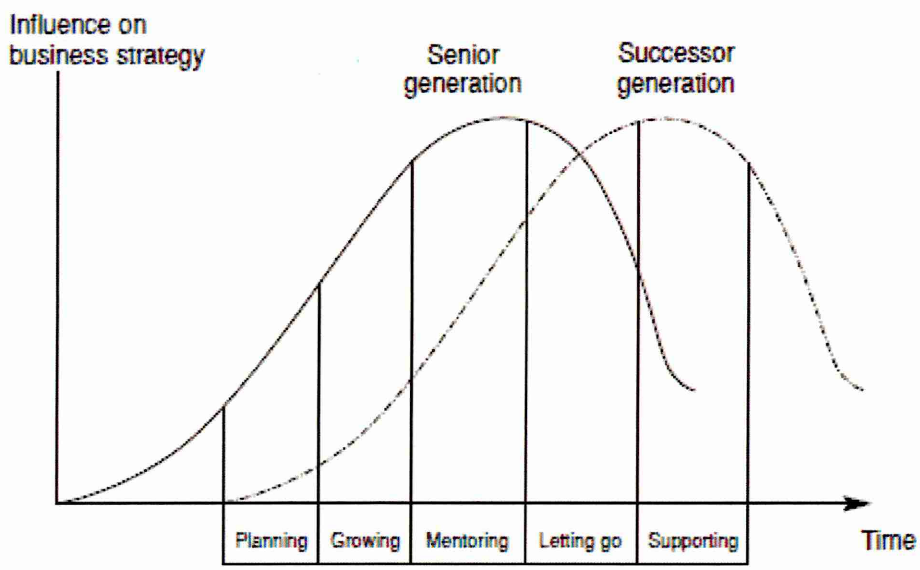
Source: *Adapted from:* N.C. Churchill and K.J. Hatten, 'Non-market-based transfers of wealth and power: a research framework of family business', *Family Business Review*, **10**(1): 53–67. Copyright 1997 by the Family Firm Institute. Reprinted by permission.

2.2.1 The influence of life cycle on management transition in a family business

One challenge all family firms face is planning for management succession when the family members are experiencing mutual life cycle transitions (Hollander and Elman, 1988; Janijuha-Jivraj and Spence, 2009; Chrisman et al., 2003). This means that when the senior generation is facing the uncertainties of retirement, their children may be entering middle life and the grandchildren may be entering young adulthood. The three generations should all understand their roles in the family business; otherwise the family business will suffer from conflicts and may not survive to the new generation (Carlock and Ward, 2001). Therefore the effect of lifecycle on the management transition in a family business needs to be considered in the search for a sustainable model.

The family business will be extremely influenced by the senior manager's personal development over the years (Janijuha-Jivraj and Spence, 2009; Chrisman et al., 2003). Accordingly, as senior managers mature, their personal management skills, leadership styles and their own personal motivations will influence their companies (Ward, 2004). Management transition from the senior to successor generations has significant consequences for the family firm (Stafford et al., 2010). Figure 2.3 presents the overlapping life cycles of two generations in a family business. As the figure shows, the senior generation move through several phases in their life-cycle: *planning the strategy, growing the business, mentoring the successor, letting go of control* and *supporting the transition* (Stafford et al., 2010). Each of these phases creates the potential for conflict and blocked careers if either generation stops or delays the process (Carlock and Ward, 2010). Therefore the life cycle includes several phases and each phase may include potential conflicts at managerial control level. Consequently, changes in life cycle phases need to be considered according to one of the objectives (elaborate the conflicts which threaten the family business continuity in different phases) of this study in the search for a sustainability model for family businesses.

Figure 2.3: Individual life cycle influence on family firm transition



Source: *Adapted from:* **N.C. Churchill and K.J. Hatten**, 'Non-market-based transfers of wealth **and power: a research framework of family business'**, *Family Business Review*, **10**(1): 53–67. Copyright 1997 by the Family Firm Institute. Reprinted by permission.

The next part will discuss the effects of life cycle on ownership changes in different phases as life cycle changes may result in ownership changes that can raise issues that put the sustainability of the family business in danger.

2.2.2 The influence of life cycle on Ownership Configurations

The family's movement through individual and family life cycles directly influences family Ownership Configurations (Stafford et al., 2010). Life cycle events such as birth, marriage, retirement and death create the potential for changes in the ownership group. Examining the life cycle helps to identify its impact on the family business and demonstrates the need for ownership education programmes (Ward, 2004). In addition, family firms should also consider as part of their growth strategy, the development and adaptation of their ownership structure. As time passes and the family gets bigger, more people become involved in the management of the family business; thus, changes in the ownership structure and the management decision-making configuration should be accomplished in order to organise the firm's growth (Rodriguez, 2009). Moreover, understanding ownership configuration or stage of ownership evolution helps to explain family business behaviour regarding management decisions and strategic professionalisation (Buckley, Mobbs, Mendoza, Carraher and Beu, 2002; Gersick et al., 1997; Ward and Dolan, 1998). Furthermore, different life cycle stages are associated with behaviours that directly impact the family business system (Carlock and Ward, 2010). Life cycle transitions often trigger events leading to changes in ownership (Stafford et al., 2010). The founder's retirement or 65th birthday will often coincide with the transferring of stock to the next generation of family members (Carlock and Ward, 2010). Therefore the family needs to anticipate and plan for individual and family life cycle transitions because they create changes in personal goals, financial situations and investment objectives.

The interaction of life cycle forces and family ownership decisions determines the family business's ownership configuration (Carlock and Ward, 2010). Moreover, different ownership configurations have unique ownership groups and characteristics. According to Gersick et al. (1997), as the life cycle changes, business families potentially move through six possible ownership configurations: Entrepreneurship, Owner-managed, Family Partnership, Sibling Partnership, Cousins' Collaboration, Family Syndicate (Gersick et al. 1997), and (see Figure 2.4). In the family business arena, the most popular ownership configuration model describes three stages of ownership evolution: *owner-managed, sibling partnership, and cousin collaborative* (Ward, 2004). Meanwhile, it is important to realise that ownership configurations are not necessarily linear – not every family business goes through them or completes them (Churchill and Hatten, 1997). In fact, the family firm may skip phases or circle back into a phase because of family ownership decisions or actions. An owner-manager may transfer majority ownership to his or her children but personally continue to control the firm's business direction. This business remains in the Family Partnership Phase until the parent's death (Carlock, and Ward, 2010). Therefore, in the search for a sustainable family businesses model, considering ownership configuration is an important aspect, as ownership changes based on the family members' life-cycle changes. The following paragraphs will expand on the ownership configuration characteristics of family firms in each stage according to life cycle changes.

i) Owner-managed

According to Ward and Dolan (1998), owner-managed firms usually stress autocracy and they are tightly controlled by one or two company founders (or generation-in-charge). This is the stage from the start-up to entrance into the business of a family member (Churchill and Hatten, 1997). As the ownership configuration progresses to include next generation members, the autocratic control style may either change (i.e. sibling partnership) or remain the same (i.e. owner-managed). When the ownership rights and managerial decision-making are passed on to one or two members of the next generation, the owner-managed ownership structure repeats itself (Rodriguez, 2009).

ii) Sibling Partnership

Sibling partnerships are family companies where the ownership and control are divided among a group of siblings. In order for these partnerships to work out, siblings must have the ability to work well together. This is often achieved through equality, whether in terms of recognition, title, ownership, etc. (Ward and Dolan, 1998). Sibling partnerships can be of two types: joint partnership and controlling partner. In a joint partnership, the rights are distributed more or less equally among two or more siblings (no one dominates control), while in the case of a controlling partner, one member of the ownership team has effective control over shares, with the other(s) sharing the rest of the rights (Ward, 2004; Rodriguez, 2009).

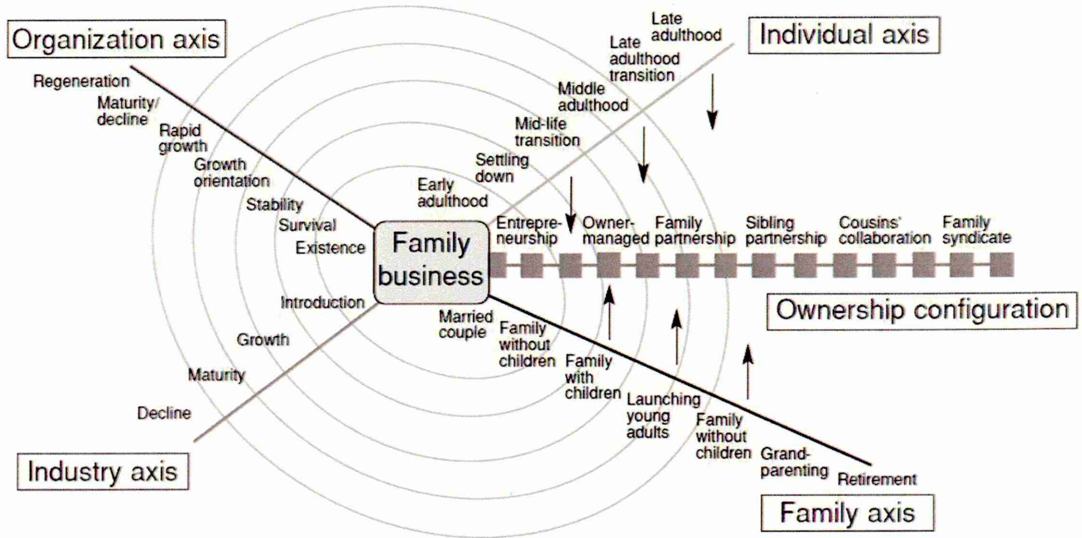
iii) Cousin collaboration

The cousin collaborative, cousin syndicate or cousin consortium stage is characterised by a fragmented structure. In this structure, ownership has become divided among several generations of extended family members, with shares distributed among a widespread number of cousins (different family branches) who may not actively participate in the business and who do not always agree on what strategic vision the company should adopt (Ward, 2004). Therefore family businesses usually go through three main ownership configurations such that each stage may entail specific issues. Therefore, considering ownership changes in different stages based on the life cycle seems important in order to recognise and resolve generational issues, in line with the purpose of this research.

Accordingly, Figure 2.4 explains the four life cycle forces that create challenges for family firms. This framework integrates industry, organisation, family and individual life cycle forces to demonstrate their impact on family business ownership configurations (Carlock and Ward, 2010). What is important to understand is that life cycle forces shape individual, family, organisation and market behaviours. Different life cycle situations and combinations require different planning and strategies (Rodriguez, 2009). A change in any of the four life cycles presented in Figure 2.4 means that the family and business plans require new thinking and possibly revision (Stafford et al., 2010). Furthermore, Figure 2.4 shows all of the possible phases that may occur within each of the four life cycles operating in family businesses.

In addition, families face additional pressures when life cycle transitions occur in two or more life cycles at the same time. When this happens, planning also becomes more challenging (Carlock and Ward, 2010). Therefore, lifecycle forces influence the ownership configuration through their effects on family members, organisation and family. Consequently these factors need to be considered in creating the family business continuity model.

Figure 2.4: Life cycle forces influencing family business



Source: Randel S. Carlock and John L. Ward. Strategic planning for the family business: parallel planning to unify the family and business. Palgrave Macmillan, 2001.

Now that the influence of life cycle on family business ownership and management has been reviewed, the next part will explain the influence of life cycle on the careers in a family business as change in life cycle may result in change in ownership configuration and change in ownership configuration may cause change in family business careers (Ward, 2004). Therefore, these changes may increase the conflicts level and consequently, in order to create a sustainable family business model and minimise the generational issues, it is important to consider the career changes in family businesses based on life cycle changes.

2.2.3 The influence of life cycle on family business careers

According to Carlock and Ward (2010), it is important to understand the effects of the family life cycle on family careers for two reasons. First, it is a force that shapes all aspects of family business careers. The birth of a child creates a potential employee, senior adulthood signals retirement and death, which is a guaranteed triggering event for management succession. Second, families often have great difficulty negotiating transitions created by the family's life events (Carlock and Ward, 2010). Accordingly, Ward (2011) presented a successor's possible career path during the family business life cycle which supports family business continuity (see figure 2.5).

Figure 2.5: Successor's career development time line

Successor's role	Child at home: growing up	Young adult: Learning outside the family business	Professional manager: Mentored within the business	Successor: Designated as their apparent. Mentored by senior executive or board member	Leader: CEO or member of the senior management team	Chairperson: Leads the board and supports the CEO
Age	**0-18**	**18-25**	**25-35**	**30-40**	**35-65**	**55-70**
Developmental goals	**Positive attitudes toward the business, basic education, skill development and positive work habits**	**Higher education: develop self-confidence and organizational skills and begin career exploration**	**Functional expertise and planning, coaching, decision-making and problem-solving skills**	**General management and profit centre responsibility**	**Executive development: personal growth, self-awareness, and continuing education**	**Life planning: exploring other interests and opportunities**

Source: Ward, John L. Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership. Macmillan, 2011.

Ward (2011) presented a time line of different stages of a successor's career development according to the family business life cycle. The first stage demonstrates that when a child is at home, positive attitudes toward the family business should be taught as well as basic education and skill development (Ward, 2011). This is called family socialisation, and may last up to the age of 18 years. After family socialisation in business values, successors typically spend the next ten years attending college and gaining outside work experience as they develop their personal capabilities and self-confidence (Carlock and Ward, 2010). Afterwards new family members will join the family business full time in their mid-to-late twenties and they will gain experience in making decisions (Ward, 2011). Then they will be ready to take responsibility for one or more profit centres in order to acquire general management skills. Apart from that, the family members must begin to explore outside resources that will allow them to continue their professional development (Carlock and Ward, 2010). The final two stages of a family business career based on the life cycle of a family member include being appointed CEO and ultimately attaining the position of chairperson (Carlock and Ward, 2010). As successors fulfil the role of CEO and, later, of chairperson, they will encounter new challenges in addition to the functional and general management skills they mastered earlier in their career (Ward, 2011). Therefore, one of the most important long-term considerations for planning a family executive career for successors is the focus on their continuous learning and personal development and preparing them for taking over the business in the future.

According to Carlock and Ward (2010), a successor's development will not always follow such a smooth course. For some successors, sudden death, disability, or retirement of the parent rushes their development. Because they have not yet acquired the proper skills, these young heirs are forced to act more like entrepreneurs than like professional managers. They learn to do what is necessary through instinct and the sheer need to survive (Ward, 2011). Therefore, it is beneficial to consider the successor's career development plan, while designing the family business sustainability plan, as it indicates the successor's personal development (necessary to taking over the business) over time as well as highlighting conflict points.

As mentioned before, according to Hollander and Elman's (1988) framework, ownership configuration and management change based on the lifecycle of the family business. Therefore, in the search for a sustainability model of family businesses and better understanding of family businesses, this part explained the effect of family business life cycle on management, ownership configuration. The next part will consider the family business's struggle for succession as one of the characteristics indicated by Mustakallio's (2002) framework.

2. 3. Family business succession

As mentioned earlier, a 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 (Chua et al., 1999: 19; Hollander and Elman, 1988). Succession and conflict have been identified as key issues in family businesses (Mustakallio, 2002). Succession is described as transferring the control and management of the business from an elder to younger family members (Brockhaus, 2004; Churchill and Hatten, 1987; Ward, 2004). It is considered by many scholars as the most important test for any family business (e.g. Barach and Gantisky, 1995; Chrisman, Chua and Sharma, 1998; Davis and Klein, 2005; Landsberg, 1999; Le Breton-Miller et al., 2004; Massis et al., 2008). Family businesses are usually faced with the challenge of ensuring competent family leadership across the generations (Le Breton-Miller et al., 2004). Accordingly succession planning is a major area in family business literature (Sonfield and Lussier, 2002; Danes et al., 2008).

A smooth succession requires the cooperation of the incumbent and the successor (Handler, 1992). Cabrera-Suarez, De Saa-Perez, Garcia-Almeida, (2001) emphasised the importance of the quality of the relationship between the successor and the incumbent in facilitating the effective transfer of knowledge required for the continuity of the business. According to Astrachan and Jaskiewcz (2008), many researchers have found that the succession process can be positively enhanced through good relationships, mutual respect and understanding (Goldberg, 1996; Handler, 1990; Lansberg & Astrachan, 1994; Ward, 1987). Likewise, a study by Morris, Williams, Allen and Avila (1997) illustrates that in a balanced family relationship, incumbents should be building trust, encouraging communication, and developing shared values among family members in order to support the succession. On the other hand, according to Astrachan and Jaskiewicz (2008), negative emotions can be aroused by family conflicts (Levinson, 1971), rivalry (Grote, 2003), and stress (Narayanan, Menon, & Spector, 1999; Ward, 2004; Miller and Miller, 2014). They, in turn, can negatively affect business processes, and performance (Pelled, Eisenhardt, & Xin, 1999). This part explained that succession in family businesses is mostly associated with transferring the business to the new generation and to do that family members should resolve the conflicts. Consequently, this section has emphasised building trust, good family relationships, encouraging communication and resolving conflicts as key elements of family business succession that will be considered in this study in order to design a sustainable model for family businesses. As illustrated earlier in this chapter, unresolved issues are major threats to family business continuity. Therefore, the next part will shed light on the major issues confronting family business succession in order to illustrate them and attempt to resolve them based on the objectives of this research in the search for a sustainable model for family businesses.

2.4 Key Issues affecting Family Businesses

According to Goffee (1996), family businesses are very fertile ground for conflict and need to be dealt with in a planned and controlled manner to avoid potential pitfalls (Jaffe and Lane, 2004; Goffee, 1996; Zahra and Sharma, 2004; and Carlock and Ward, 2010). Family issues play an important role in the management of family businesses. Examples of such issues include primogeniture (i.e. elder son takes over the business), and sibling rivalry (Sorenson, 1999). The beliefs, personality and values of the founding generation of the business influence the corporate culture of the family business (Bennis, 1986; Harvey and Evans, 1994). The business culture and the family members' culture partially overlap and this may lead to conflict (Harvey and Evans, 1994). Succession and conflict are interrelated. 'Gender' is another variable in this complex equation. In addition, family businesses are disposed to problematic issues such as nepotism, sibling rivalry, divergence of family and non-family members (Hollander and Elman, 1998; Martinez et al., 2007).

Accordingly, Harvey and Evans (1994) classify conflicts in family business based on their origin: internal to the organisation, external to the family involved in the business and in larger organisations external to stakeholders (bankers, suppliers, distributors and board of directors). Additionally Tagiuri and Davis

(1996) identified three levels of conflict in family businesses, based on the three circle model explained before (Figure 2.1). They state that level one occurs when there is no interaction among the three elements (business, family and ownership) and the conflict is limited to only one of the entities. Level two conflicts happen when two of the three entities overlap, meaning that the sources of the conflict are combined (business, family and ownership), which makes it difficult to address. Level three conflicts encompass all three involved parties: family, business organisation, and external stakeholders. Therefore, overlap of the three entities creates conflicts that need to be considered in developing a continuity model according to the aims of this research.

Furthermore, Danes et al. (1999) categorised family business conflicts into five separate blocks: (i) justice conflict (concerns problems of compensation and quality of treatment along with allocation of resources); (ii) role conflict (confusion among roles when family members work together or when the family business employs others who are not part of the family); (iii) work/family conflict (those that surface at the intersection of the family and the business subsystems); (iv) identity conflict (involves family members' need to differentiate themselves from family expectations and act as independent, autonomous people); (v) succession conflict (the effect of family business succession on harmony in the family business).

Jehn (1997), on the other hand, categorises conflicts in family businesses according to three separate aspects: task, process, and relationship conflicts. Task related conflicts are mainly about goal setting and strategic management of the organisation. According to Ward (2004), a moderate level of task conflict is beneficial for the organisation as it increases the flexibility of the company and enhances its survival chances if changes occur. Meanwhile, according to Jehn (1997), process conflict can be defined as uncertainty in distributing power and responsibility among family members and how the work should be accomplished. High levels of process conflict mostly result in rivalry and uncertainty of the roles, while low levels lead to difficulty in adjusting responsibilities and resources (Jehn, 1997; Jehn and Mannix, 2001). Relationship conflict is more to do with personal aggression and incompatibility, which include aspects like anger, disappointment and annoyance. It ultimately results in negative personal feelings towards others and their work in the organisation and a simultaneous decrease in the levels of mutual understanding, which immensely affects the work and efforts (Jehn, 1997).

Consequently, conflict in family businesses is an important subject that attracts a lot of interest among researchers (Hunt, Osborn, & Schuler, 1978; Goffee 1996; Hollander and Bukowitz, 1990; Ward, 2004; Le Breton-Miller et al., 2004 and Carlock and Ward, 2010), and their main common concern is how to evaluate and address these conflicts to achieve the firm's survival (Sorenson, 1999; Ward, 2004). In order to meet the aims of this research, the researcher seeks to understand generational issues affecting family businesses. Therefore the next part will highlight the most important family business conflicts that, according to the literature, threaten the transition of a family business.

i) *Unbalanced family needs and business needs:*

Mustakallio (2002) points out the simple but critical difference in goals between family (providing care and comfort for its members) and business (generating economic profit for stakeholders). It has been discussed that the adoption of non-monetary goals such as job creation for family members and gaining respect might reduce flexibility and efficiency of the family business (Sharma, Chrisman and Chua, 1997; Davis, 1983). Following personal interests at the expense of business needs (Donnelley, 1988, Ward 2004) as a result of divergence of interests is a common feature of family businesses. The connections between family members could be a threat to the business if the focus is on maintaining good family relationships rather than business purposes (Sorenson, 1999). However, as mentioned in section 2.3, according to various scholars (Pelled, Eisenhardt, & Xin, 1999; Astrachan and Jaskiewicz, 2008; Cabrera-Suarez et al., 2001), building trust, good family relationships, and encouraging communication are the key elements of success. Therefore, unbalanced family expectations and business needs create conflicts among family members. Consequently, many scholars (Sorenson, 2000; Westhead and Howorth, 2006; Ward, 2004) suggested that there should be a balance between family needs and business needs in order to manage the conflicts and support the business transition. Therefore, this issue will be considered in seeking to create a sustainable model for family businesses as the main aim of this research.

ii) Rivalry

The job of operating a family-owned company is often critically complicated by friction arising from rivalries involving a father and his son, brothers, or other family members who hold positions in the business, or benefit from it (Sorenson, 1999). Rivalry among family members can cause the family business to suffer and put it in danger (Levinson, 1971). Family members may become involved in power conflicts over management and taking over roles to prove themselves (Ward, 2004). Rivalry among family members creates disagreement and harms family members' relationships and communication (Sorenson, 2000). Therefore, such rivalry creates conflicts that jeopardise the continuity of family businesses. Karatas-Ozkan et al. (2011) conclude that the only real solution to managing rivalry in family businesses is to move toward professional management.

iii) Founder's fear of losing control (letting go)

According to Lansberg (1988), founders fear losing control, and retirement may indicate demotion in his or her role in the family, therefore they develop self-defeating mechanisms to help them cope with this anxiety, such as disrupting a potential successor's professional development, to appease their need to remain in control. In this case the potential successor may not get the opportunity to develop the skills or respect necessary to manage the business, which may drive successors to leave the family business or make them feel incompetent (Massis et al., 2008).

In other respects, according to certain scholars (Handler, 1990; Cabrera-Suarez et al., 2001; Astrachan and Jaskiewicz, 2008) it is important for the incumbent to let the successor make their own decisions and mistakes, as this is vital for their development as a leader. Barach & Gantisky (1995) emphasise that incumbents with certain personality characteristics, such as being mistrusting, over-controlling, or negatively aggressive, can have a negative impact on the succession process. On the other hand, a cooperative attitude, openness to new ideas and a mentoring approach positively support successful transition (Carlock and Ward, 2010). Furthermore, according to Miller and Miller (2003), over-controlling the new family members will damage the independence feeling they need to run the business. Therefore, involving family members in important decisions of the business, passing the business on to them and mentoring them will manage conflict. Additionally it prepares the new family leaders for taking over the family business. Therefore, this issue will be considered in creating a sustainable model for family businesses as the main aim of this research.

iv) Gender issues and rivalries

There is an argument over whether primogeniture is still relevant and its potential consequences for succession. According to Barnes (1988), the eldest is chosen as the successor because of the incongruity that would develop in the successor's standing in the business if a younger son or daughter were to take over the business, which could lead to obscurity and rivalry within the family. An incumbent is therefore reluctant to choose a younger son or daughter to succeed, in order to preserve harmony in the business and family. According to Collins (2011), few studies have examined gender and succession, but the most cited is that of Dumas (1989), who compared father-son and father-daughter relationships. Dumas (1989) suggests that father-daughter relationships are not only more harmonious, but different in nature. According to Collins (2011), daughters were happy to assume the role of carers and did not compete with their fathers for power and control; however, in the sample studied none of the daughters had even been considered as potential members, managers, or successors in the business by their fathers. In addition, Haberman & Danes (2007) found that father-daughter successions were less competitive and conflictive than father-son successions. However, a similar study carried out by Cadieux, Lorrain, & Hugron (2002), comparing the succession processes of women and men owner-managed firms, failed to find any significant differences between the two groups.

Nevertheless, criteria for selection of the successor have become more objective and the focus of matching the abilities of the successor to the needs of the business has become more widely accepted (Brockhaus, 2004). A study carried out by Chrisman et al. (1998) found that integrity and commitment to the business were more important attributes in a successor than gender or birth order. Meanwhile, successor abilities such as proven skills, performance, and experience in leading the organisation have been linked to positive successions, and also helping the successor gain credibility and legitimacy (Barach, Gantisky, Carson, & Doochin, 1988). Training and development of successors also plays an important role, as the extent of training to acquire knowledge and develop capabilities will determine their credibility and prepare them for future leadership (Ward, 2004). Hence gender preference or birth order preference may create conflicts in family businesses and put their survival in danger, although, according to evidence cited in this section, the importance of matching the abilities of the successor to the needs of the business has become more widely accepted. However, in the case of this study, according to the main objective of this research to develop a sustainable family business model for Iranian family businesses, perhaps there are big gender differences between Iranian family businesses and family businesses in the west. Therefore, this study will take gender issues into consideration.

v) Unclear Involvement structure

Business survival has been positively associated with family support and family involvement in the business (Ward, 2004; Collins, 2011). Accordingly, family business survival increases when family members help in the business and provide emotional support to the owner (Danes and Lee, 2004; Danes and Morgan, 2004; Green and Pryde, 1989). Moreover, Sorenson et al. (2004) found family involvement in and control of the business was associated with longer survival. Hence, the survival of family firms depends on the involvement and inclusion of next generation family members (Björnberg and Nicholson, 2012). Moreover, according to Björnberg and Nicholson (2012), whether as employees or owners, the next generation's commitment and willingness to be involved in the business is the key to the continuity of the family firm. Family business scholars have devoted much attention to intergenerational transition in the family firm (Dyer and Handler, 1994). Certainly, next generation family members have received most attention from researchers (Zahra and Sharma, 2004). Commitment among next generation family members has emerged as one of the key factors that contribute to and support the effective succession of leadership (Sharma & Irving, 2005).

However, involving more family members in the business can give rise to issues and conflicts (Chrisman et al., 2003) such as task conflict, power conflict and role confusion (Ward 2004). Furthermore, Martinez et al. (2007) point out the negative aspects of such interaction, such as overlapping of family and business issues, nepotism, resistance to change, all of which need to be dealt with. Therefore, if there is a lack of a clear structure for involving and promoting new members in the business, such involvement may create conflict.

vi) Unclear compensation

According to Carlock and Ward (2010), in some family businesses there is no clear structure for compensation and dividend allocation, which means that family members are just wealthy on paper. Additionally, according to Bjornberg and Nicholson (2012), some family members viewed their ownership primarily in nonmonetary terms. This means that to such people ownership represents "sentimental value" and that the money was "paper wealth" or even "fiction in my bank account," regardless of the actual size of the wealth. Statements made by individuals with a high degree of emotional connectedness but no other stake in the business suggested that actual share ownership need not be a prerequisite for the emotional bond needed to support the family's involvement and avoid conflicts (Bjornberg and Nicholson, 2012; Carlock and Ward, 2010; Ward, 2004). Therefore, family businesses need to have compensation and dividend payment plans as well as an involvement and promotion structure for family members to manage the compensation issue. Consequently, the compensation issue will also be considered in the search for a family business sustainability model as the main aim of this research.

vii) Conflict among family and non-family members

When family members and non-family members interact, different perspectives may arise (Jehn, 1997). These different views may cause conflict, not only among employees or between employees and family members, but even worse, among/between relatives. When daily operations are hampered by conflict, family firms will experience a high turnover rate among non-family employees, this being reflected in the business productivity and survival. In addition, if family members let their behaviour be driven by emotional arousal instead of business economics, the firm may end up being sold or failing to create economic wealth (Jehn, 1997).

viii) Identity conflict

Working under the shadow of a successful entrepreneur founder and a caring father may result in the new generation not having enough confidence and cause the creation of an unprepared successor (Carlock and Ward, 2010). This situation will result in an identity conflict for the new generation (Shulze and Lubatkin, 2003). Accordingly, the new generation may also be unclear about their role and position in the business or their compensation (Ward, 2004). They also may not be involved in major decisions regarding the business (Nordqvist, 2012). These issues will also result in identity conflicts (Carlock and Ward, 2010) and may cause founders to have difficulty in 'letting go' and passing on control and authority to the successor, unclear structure for family members' involvement and the lack of preparation of next generation family members to take over the business (Cabrera-Suarez et al., 2001; Dyck, Mauws, Starke and Mischke, 2002). Therefore, succession requires well prepared planning to ensure sustainability of the family business (Hughes and Rubin, 2005; Stavrou, 1998; Upton and Heck, 1997). Consequently, identity conflict is another issue threatening the success and smooth transition of family businesses that will be considered in this research.

ix) Not all family members work in the business

Family members may not be interested in or willing to work within the family business (Carlock and Ward, 2010). However, they may be interested in enjoying the handsome dividend (Ward, 2004). On the other hand, there may be family members who are involved in the operation of the business and who are unhappy about the non-involvement of other family members. Therefore, conflict may arise between the family members who work within the business and non-involved family members, regarding the latter's receipt of benefit from the business (Carlock and Ward, 2010). Hence, there needs to be a clear structure for involved and non-involved family members, their roles and their compensation, in order to manage such conflict and support the transition process. This research will consider this issue in creating the sustainability model for family businesses.

This section has highlighted some of the major issues confronting family business succession. Accordingly, this research will focus on these and other possible issues and will attempt to resolve them according to the research objectives in the search for a sustainable model for family businesses. The next section will explore cross-national differences in relation to family business survival as most of the research in this field has been conducted in the west and such research can help the researcher in his study of Iran by highlighting potential differences from the west.

2.5 Cross-national differences

As in other areas, much of the existing body of work on the management and organisation of family businesses is either American or Western European (Hollander and Bukowits, 1990; Karatas-Ozkan et al., 2011; Lerner and Malach-Pines, 2011; Ward, 2004). Inevitably, this limits the conception of what such businesses might look like, as well as the functions they might perform (Goffee, 1996). According to Lerner and Malach-Pines (2011), there are cross-cultural differences between the owners of family businesses in different countries. Therefore, there are cross-national differences in how the families act during the transition process. Hence, western-based research helps with this Iran-based study as there is little data available on continuity of family businesses in Iran. Furthermore, there have been various calls for new research in other parts of the world apart from the west (Lerner and Malach-Pines, 2011; Goffee, 1996; Hollander and Bukowitz, 1990; Alrabeei and Scott, 2014). According to Goffee (1996), cross-national differences relate to structure, economy and culture. Therefore the next part will explore each of these three aspects, in order to understand cross-cultural differences in the light of the relevant literature.

i) Structure

There are three major ways in which cross-national differences may affect the family enterprise (Goffee, 1996). First, the structure and functioning of family businesses will be influenced by the wider economic context within which they operate (Burrows, 1991; Goulding, Baum and Morrison, 2005). Accordingly, firm survival has been linked to firm characteristics. Size, industry, age and profitability have been positively associated with survival (Stafford et al., 2010). Therefore, opportunities for business formation and growth vary significantly across countries, due to the complex mix of historical, political and socioeconomic circumstances (Goffee and Scase, 1982). In other respects, there are differences between manufacturing and service sectors (Goffee, 1996); for instance, within Europe, Germany and France over one-third of all manufacturing enterprises have less than 200 employees (Goffee 1996). Even sharper contrasts exist between mature and newly developing industrial economies (Gigoutzi, Nijkamp and Storey, 1988). Audretsch (1991) and Audretsch and Mahmood (1995) found that larger and older manufacturing businesses were more likely to survive, whilst businesses in the agriculture and repair services industries were found to survive longer (Van Praag, 2003). Meanwhile, Sorenson, Brigham, Holubik and Philips (2004) found business size and profitability increased survival duration. Therefore, although survival of family businesses in Iran may be affected by differences in structures there is little available data available in this field, which provides further justification for conducting this research in Iran. Therefore, this research will focus on medium sized family businesses operating in the industrial sector in which my family business operates. The next aspect of cross-national differences identified by Goffee (1996) is economy, which will be discussed next.

ii) Economy

Goffee (1996) describes cross-national differences in the economy as relating to the role of the government in the economy and the consequent effects on family businesses. For instance, in free market economies there is less state intervention, which is favourable to small business formation (Davis and Scase, 1985; Goffee, 1996). However, in countries with more state legislation, the cost of business ownership increases, which may restrict opportunities for start-ups (Ward, 2004); for instance, there may be different regulation on family businesses in terms of death taxes (Ward, 2004). In consequence, interventionist states mediate the relationship between ownership and control in ways which may limit managerial rights, reduce options on possible structural (ownership) configurations and diminish opportunities for business owners to pass down capital assets across generations (Johannisson, 1987). Therefore, the continuity of family businesses in Iran could be affected differently by governmental legislation and policies, as Iran is not a free market economy. However, this research will not consider the effects of state on family business continuity in Iran as this is not among the objectives of this research. The next part will explain the third aspect of cross-national differences, namely culture, as family business sustainability and family businesses issues may be affected differently based on differences in culture.

iii) Culture

The third aspect of cross-national differences identified by Goffee (1996) is culture. Accordingly, the nature of family businesses is likely to be different based on differences in social values and norms in different nations (Goffee, 1996). Some attempts have been made to categorise these value differences (Hofstede, 1991) and link them to variations in social and workplace attitudes and behaviour (Laurent, 1983; Trompenaars, 1993). However, few studies have been conducted into the impact of such differences on family businesses (Goffee, 1996; Karatas-Ozkan et al., 2011; Stafford et al., 2010). Hofstede, in his 1988 study, distinguishes national cultures in terms of five orientations (social, power, uncertainty, goal and time). Each cultural orientation affects the perceptions, attitudes, values, motivations and behaviour of the local people (Buchanan and Huczynski, 2010). Furthermore, each of the dimensions identified by Hofstede (power distance; uncertainty avoidance; collectivism/individualism; and masculinity/ femininity) offers a starting point for the analysis of, for example, family size and role structure (uncertainty avoidance), social and economic divisions between men and women (masculinity/ femininity), kinship networks (power distance), child-rearing practices and cross-generational relationships. An illustration is provided in Table 2.1.

Table 2.1: Cultural differences and the family business

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

Source: Hofstede, G. (1991), Culture and Organizations, McGraw-Hill, London

According to Collins (2011), culture in families varies based on the attitudes, values, beliefs and assumptions of family members. Accordingly, Steers, Sanchez-Runde and Nardon (2010) concluded by defining culture as follows: (1) culture is shared by members of a group and indeed sometimes defines the membership of the group itself. (2) Culture is learned through membership of a group or community. It is learned from elders, teachers, officials, experiences, and society in general. (3) Culture influences the attitudes and behaviours of group members. Cultural training and socialisation is the root for our natural beliefs, values, and patterns of social behaviour. Culture tells us what behaviour is acceptable and unacceptable, attractive and unattractive. It influences our normative behaviour or how we think those around us expect us to behave (Steers et al., 2010). These assumptions will shape the role models which individual family members choose. For instance, first-born sons in most western nuclear families often choose their fathers as role models (Goffee, 1996). Likewise, cultural assumptions will shape individuals' work-related goals, whilst families will also vary in the way they relate to the businesses which they own (Zahra et al., 2004; Ward, 2004). Therefore, the discussion indicates that the culture of family members affects their values and perceptions in life and in the business. It also affects how people engage in or react to the business, which may affect the survival of the family business.

Dyer published a study in 1986 that has established certain principles in family business literature. Dyer's study classified family businesses cultures based on examination of more than 40 family businesses (Dyer, 1986). According to Dyer (1986), the most well-known type of family business culture is paternalistic. In such a culture, relationships are arranged hierarchically, with all the key information and decision-making authority held by the family leaders and managers, closely supervising employees and giving subordinates little flexible leadership. *Autocratic* leadership most excellently describes the leadership in this type of organisation (Hunt, Osborn, & Schuler, 1978). Autocratic leadership is usually opposite to participative leadership. The culture of business and leadership style need to change as new family members join the business (Ward, 2004). Therefore, the autocratic management culture found in the first generation of a family business changes to a participative culture as the new generation join and the business starts its transition. The next part will elaborate on culture and religion in relation to Iran.

The literature on family business and entrepreneurship has not fully investigated the combined effects of culture and religion on family firms (Karatas-Ozkan et al., 2011). This is especially true for firms outside of Western Europe and North America (Hollander and Bukowittz, 1990; Ward, 2004, Karatas-Ozkan et al., 2011). There is also very little literature available related to culture and its effect on Iranian family businesses continuity. The researcher is aware that the culture might be important and might affect family businesses' sustainability; however, instead of looking at differences in culture and religion this research focuses on major cultural factors arising from the results. In other words, while this research is not looking specifically at cultural aspects, it recognises that culture may play a part. Consequently, the research focuses on culture in a general sense.

Iran is a country located in the west of Asia in the Middle East. It is the second-largest nation in the Middle East and the 18th-largest in the world; with 78.4 million inhabitants, which makes Iran the world's 17th most populous nation (Curtis and Hoogland, 2008). Iran is home to one of the world's oldest continuous major civilizations, with historical and urban settlements dating back to 4000 BC (Curtis and Hoogland, 2008). Iran, formerly known as Persia, was a major empire and superpower, comprising the area from Anatolia and Egypt in the west, to the borders of Ancient India in the east. Iran has endured invasions by Greeks, Arabs, Turks and Mongols and Russians (Carter and Philip, 2006) and has continually reasserted its national identity through the centuries, to develop as a distinct political and cultural entity (Carter and Philip, 2006). The Islamic conquest of Persia (633–656) ended Sasanian rule and was a turning point in Iranian history. Islamization in Iran took place during the 8th to 10th centuries and led to the eventual decline of the Zoroastrian religion in Persia. However, the achievements of the previous Persian civilizations were not lost, but were to a great extent absorbed by the new Islamic polity and civilization (Carter and Philip, 2006).

According to Collins (2011), Islamic culture shapes the Middle East and therefore its organisations and managers working there. Passages in the Islamic holy book (Quran) specifically address business transactions, with directives on topics ranging from spending habits to financial and management concepts. Management style is one contradiction that finds its roots in differing Muslim groups (Collins, 2011). In addition, authoritarian management is predominant in large organisations, while consultative methods prevail in other arenas. Kets de Vries (1996) found that smaller, family-controlled firms in the Middle East were less bureaucratic, authoritarian, and impersonal than larger firms that were not family controlled. Moreover, some Islamic groups prefer consultative methods of management (Ali, 1990; Ali, Al-Shakhis and Nataraj 1991), while others prefer authoritarian styles and encourage absolute authority of rulers (Ali, 1990). Therefore, family businesses and their culture in the Middle East, including Iran, are affected by Islam as the dominant religion.

Furthermore, Lewis (2005), in his book *When cultures collide* categorised the cultures of different nations. He traced Iranian, or Persian, culture back more than 3,000 years, and viewed Iranians as proudly sticking to their traditions and to their sense of leadership and power relating to their Persian origin. Despite the fact that Islam is the main religion in the country, Iranians identify little with the many Arab states in the Persian Gulf (Lewis, 2005). Moreover, Lewis 2005 indicated that values such as spirituality, hospitality, new technology, research, invention, family, neighbourliness, design and pattern, traditional music and literature, seriousness, dignity, caution in decision making, academic achievement, respect for the wisdom of the old, respect for the Islamic role of women, politeness and clemency, their cultural achievements and Islamic faith and values are important to Iranians. Therefore, the abovementioned values may affect Iranian family businesses' continuity, although there is little data available in this regard. However, as mentioned earlier, this research will consider culture in a general sense. The next section will consider suggestions from the literature for resolving generational issues in family businesses, in line with the research aim of creating a family business continuity model

2.6 Overcoming Crises to Sustain the Family Dynasty

Overcoming multigenerational issues within family businesses has been discussed in the literature (Jaffe and Lane, 2004; Westhead and Howorth, 2006; Carlock and Ward, 2001; Ward, 2004; Zahra et al., 2004; Aronof and Ward, 2002; Carlock and Ward, 2010; Carsrud and Brannback, 2012), and there has been a variety of suggestions for resolving such issues (Ward 2004; Collins 2011; Jaffe and Lane, 2004; Westhead and Howorth, 2006; Carlock and Ward, 2001). Therefore, this section will consider these suggestions in order to address generational issues in family businesses in the context of Iran.

In many multi-generation family businesses the family owners still shape the future direction of the firm (Jaffe and Lane, 2004). Moreover, transfer of business ownership to the next generation of family members is one of the major objectives of family firm owners (Chua, Chrisman, & Sharma, 2003). The ability to pass down their firms from one generation to another is the major criterion for success in family businesses; it is what successful family businesses do (Jaffe and Lane, 2004). Succession may be regarded as the ultimate delegation, but business proprietors are not always good delegators – even within their own families; indeed, it is their failure with this management skill which contributes to the termination of many enterprises (Lansberg, 1988). Most family businesses fail after one generation. According to Goffee (1996), amongst those which survive the family's influence reduces. Data from the USA indicate that of the 10 per cent of family businesses which survive to a third generation, only one in ten has a family member still involved in management (Goffee, 1996). Therefore most family owners fail to pass the business on to the next generation.

The challenges for a family to succeed entail sustaining the family business or diversifying into a number of investments jointly owned by family members who multiply with each new generation (Jaffe and Lane, 2004). Although the family's original opportunities are usually created by a single founder, over generations there is increasing pressure to divide the fortune among heirs and relatives (Ward, 2004). A family that succeeds in keeping its fortune unified within a single business or series of shared investments, with multiple family branches sharing control and ownership, is quite extraordinary and the passage is difficult (Gordon and Nicholson, 2008). If the family is successful, the value of its businesses and investments can multiply through the generations. These successful multigenerational families are called dynasties (Jaffe and Lane, 2004).

In order to meet the various challenges confronting family businesses throughout the world, it is proposed that family business owners must prepare for leadership succession and ownership transition in a professional manner to ensure stability and succession (Ward, 2004). In other words, such measures as moving to a professional management level, establishing a dynasty, establishing a corporation, family councils, have all been mentioned in different literature (Dyer, 1986; Bass, 1990; Yukl, 2010; Sorenson, 2000; Jaffe and Lane, 2004) as means of resolving these crises and addressing the transition process.

A family enterprise rarely makes it to the dynasty stage (Gordon and Nicholson, 2008). Frequently, the core business is separated or sold or family members inherit their own fortunes and go their separate ways (Jaffe and Lane, 2004). To succeed, families with considerable wealth have to be active guardians and responsible owners in making key decisions and managing their assets (Sorenson, 2000). The establishment of formal structures and processes to organise these relationships is known as governance (Jaffe and Lane, 2004; Carlock and Ward, 2010; Ward, 2004).

Furthermore, according to Jaffe and Lane (2004), overcoming generational issues requires family businesses to create a complex web of structures, agreements, councils, and forms of accountability in order to manage their wealth need. This need arrives at a critical point for the family as the family business progresses from the second to the third, fourth, and succeeding generations, and seeks to maintain shared family control of its often much diversified financial and business assets (Jaffe and Lane, 2004). Moreover, in order to maintain the success of the business in the ever-changing world, family businesses have to be well structured, especially as the family enters the second and third generations, when, as described earlier, the structure tends to become more complex, and challenges to sustain collaboration and effectiveness increase as the business grows with new generations (Jaffe and Lane, 2004; Carsrud and Brannback, 2012; Carlock and Ward, 2010). Therefore family businesses need to be well structured in order to resolve the issues and support success of the business. The next parts will explain the kinds of structures that support the success of the family.

According to Handler's (1992) study, satisfied successors tend to be more personally invested, more enthusiastic, and feel more adequate to take on the required responsibilities. This was reinforced by another study by Stavrou (1998), which found that the successor's choice to join or not join the family business related to individual needs, goals, skills, and abilities. In other respects, the family member's decision to join or not join the business was related to issues with the family and not the business. Accordingly family members need to be prepared to be involved in the business and prepared to take over the leadership (Carlock and Ward, 2010). Additionally, defining the purpose of wealth, defining the founder's intent and values for inheritors may help in establishing a successful dynasty for the second and third generations (Jaffe and Lane, 2004; Sorenson, 2000; Ward, 2004). It can thus be concluded that preparation of family members for involvement in the business and taking over the leadership of the business supports continuity and success of the business to the next generation.

A family that owns a business, or substantial investments, faces continual challenges from the business environment and from internal pressures (Rodriguez, 2009). Furthermore, as the family develops, in order to succeed, it must develop a clear infrastructure to manage the interrelationships of people, business, and investment. It must regulate and integrate the interests and concerns of the many involved people in many ways (Stafford et al., 2010). However, family businesses should come with a clear governance structure that presents a clear decision making plan to resolve task conflict, power conflict, role confusion between family members, issues between family members and non-family members and uncertainty on distribution of power (Goffee, 1996; Rodriguez, 2009; Ward, 2004; Sorenson, 2000; Gersick, Davis, McCollom Hampton, & Lansberg, 1997). The governance structure should manage the family members' expectations (Ward, 2004). Therefore family businesses need clear governance in order to manage conflicts among family members, which will, by resolving these conflicts, provide structural support for continuity of the family business.

Planning retirement is another factor that scholars considered as an important factor that may affect succession outcomes (Gersick et al. 1997; Lansberg, 1998; Sharma, Chrisman, & Chua, 2003; Stafford et al., 2010). However, normative expectations about retirement (Neugarten, 1979) as well as the aspirations of the potential business successor who is typically gaining increasing levels of control over the business (Brun de Pontet, Wrosch, & Gagne, 2007) may push a family business leader to think about retiring (Olson et al., 2003). In another respect, the mixture of family and business makes leadership transition complicated and often stops the family business leader from planning his or her retirement in an appropriate way (Olson et al., 2003). Retirement planning also depends on the incumbent and successor being in sync in the timing of their mutual readiness for this transition (Davis & Taguiri, 1989; Dyck, Mauws, Starke, & Mischke, 2002). These issues are particularly pressing for family businesses that are eager to retain leadership within their family (Ajzen, 1991). Therefore, planning for retirement and preparing the younger generation for taking over the leadership is an important process which supports continuity and success of the family business.

Consequently, family businesses face conflicts and need to achieve a direction and implement appropriate strategies, plans and structures for the family business (Jaffe and Lane, 2004; Sorenson, 2000; Westhead and Howorth, 2006; Levsin, 1971; Goffee, 1996; Carlock and Ward, 2010). Some of these structures and plans have been discussed in this section and will be considered in the search for a sustainability model for family businesses. The next part will provide a summary and overview of this literature review chapter.

2.7 Conclusion

This chapter aimed to review what is already known about family businesses. The chapter started by explaining the importance of family businesses in the world economy and indicated further that family businesses play an important role in the economy of every country around the world and consequently their continuity is important to supporting the economy. Accordingly, there is growing agreement about the relevance of family firms in the economies of many countries in the world (Deniz-Deniz and Cabrera Suarez, 2005; Chrisman et al., 2003). Furthermore, evidence has shown that family firms play a significant role in emerging and developed economies in terms of GDP growth and employment (Carraher, 2005; Carraher and Carraher, 2006; Miller and Le Breton Miller, 2005; The Family Business Magazine, 2004; Shanker & Astrachan, 2006; Oslon et al., 2003; Ward, 2004; Zahra and Sharma, 2004; Hunt, Osborn, & Schuler, 1978; Hollander and Bukowitz, 1990; Ward, 2004). However, scholars indicated that most family businesses are dysfunctional in transferring the business to the next generation (Feltham et al., 2005; Stafford et al., 2010; Lavinson, 1971; Ward, 2004; Rodriguez, 2009; Sorenson, 2000; Miller and Le Breton Miller, 2005). Family business research remains fragmented in its focus and findings, and lacks a solid theoretical grounding (Pieper and Klein, 2007). Similarly, Casillas and Aceda (2007), in referring to the high degree of fragmentation in the literature on family business, also indicate a lack of consensus as to what are the prevailing conceptual foundations in this field. Moreover, it is worthy of mention that many recent studies on sustainability of family businesses have been conducted by Carlock, Ward, Miller, Zahra, Bjorson and that this research will be informed by these studies.

The chapter continued by considering what constitutes a family business. In order to gain better understanding of family businesses, the chapter focused on the characteristics of family business. The effects of life cycle changes on the characteristics of family businesses were also considered in this chapter. Then, based on the literature, key generational issues within family businesses were explored. The chapter continued by exploring the effects of cross-national differences on family businesses, and finally considered how to resolve the issues and create a dynasty. Therefore this literature review provided an understanding of family businesses, their characteristics, their issues and how to resolve the issues relating to sustainability of family businesses.

The literature indicated that family businesses struggle with different multi-generational issues which obstruct the continuity of the family business and prevent the transition of the business to the next generation. However, the literature on family business has not fully investigated the sustainability of family businesses. In particular, it has not fully explored issues relating to *unbalanced family needs and business needs* (Chrisman et al., 1997; Sorenson; 2000; Mustakallio 2002; Ward, 2004; Westhead and Howorth, 2006), *rivalries* (Levinson, 1971; Sorenson 2000; Ward 2004), *founder's fear of losing control* (Lansberg 1988; Massis et al., 2008; Suarez et al., 2001; Carlock and Ward, 2010), *gender issues and conflicts* (Barach, Gantisky, Carson, & Doochin, 1988; Brockhaus, 2004; Ward, 2004), *conflict between family and non-family members* (Jehn,1997; Ward, 2004), *not all family members work in the business* (Ward, 2004, Carlock and Ward 2010). In addition, most of the studies on the sustainability of family businesses have been conducted in the west and little data is available for other parts of the world, especially the Middle East (Karatas-Ozkan et al., 2011). In addition, according to the literature, unclear structure, rivalry, and unclear compensation are among the main issues that confront family businesses (Ward, 2004; Sorenson, 2000; Danes and Lee, 2004; Danes and Morgan, 2004; Green and Pryde, 1989; Björnberg and Nicholson, 2012; Chrisman et al., 2003; Martinez et al., 2007; Nordqvist, 2012). Therefore the literature review leads to the following sub questions according to the aims and objectives of this research: What is the nature of family business governance? How do family members' involvements affect the family business? What are the main multigenerational crises facing family businesses in Iran? Do cultural characteristics affect family business continuity in Iran? From these, the first research question of this research emerged.

"What are the main areas where generational conflicts might exist among family businesses in Iran?"

It was also found that the literature has not covered Involvement Issues (Danes and Lee, 2004; Danes and Morgan, 2004; Green and Pryde, 1989; Sorenson et al., 2004; Sharma, 2004; Martinez et al., 2007; Björnberg and Nicholson, 2012), identity conflict (Hughes and Rubin, 2005; Stavrou, 1998; Upton and Heck, 1997; Cabrera-Suarez et al., 2001; Dyck et al., 2002; Nordqvist 2012), unprepared family members (Shulze and Lubatkin, 2003; Carlock and Ward, 2010;), policy and planning (Hughes and Rubin, 2005; Stavrou, 1998; Upton and Heck, 1997). Moreover, the literature suggested that multigenerational issues exist (Basco and Rodrigues, 2009; Olson et al., 2003; Heck and Stafford, 2001; Wang, Walker and Redmond, 2007); however, multigenerational issues may differ in Iran as most of the literature data represent family businesses in the west (Ward, 2004; Karats-Ozkan et al., 2011; Rodriguez, 2009). Accordingly, the following questions need to be answered as sub questions based on the aims and objectives of the research: How could involvement be managed in favour of family business transition? What is the appropriate family business governance for supporting transition? What is the appropriate ownership configuration to support continuity of family businesses? From these, the second research question was developed:

"How could family businesses overcome multigenerational issues?"

Consequently, this research on family businesses in Iran focuses on generational crises and problems that they may face in transition from one generation to another, with particular focus on transition from the first to the second generation. The next chapter, Methodology, will explain how the research was designed in order to answer the research questions and achieve the research objectives.

Chapter 3: Methodology

3.1 Introduction

The review of the literature explored the importance of survival of family businesses. In order to understand how a family business in Iran could overcome the multigenerational issues and survive into the next generation, this chapter explains how the appropriate research methodology was designed for this purpose. Furthermore, this chapter examines potential research methods, justifies the approach taken and discusses the research strategy pursued. The main aim of the chapter is to justify the methodological stances and to explain how the data was collected.

This thesis was intended to contribute to an understanding of generational issues facing family businesses, with the primary focus on survival to the next generation. The research focuses on making suggestions for sustainability of family businesses and also suggests a practical model for balancing the three key entities in a family business, identified as business, family and ownership. Therefore, the data of this research are explored inductively using a narrative approach to represent the data.

The literature review chapter revealed that family businesses play an important role in the economy of every country around the world and consequently their continuity is important to the support of the economy (Deniz-Deniz and Cabrera Suarez, 2005; Chrisman et al., 2003). However, scholars indicated that most family businesses are dysfunctional in transferring the business to the next generation (Feltham et al., 2005; Stafford et al., 2010; Lavinson, 1971; Ward, 2004; Rodriguez, 2009; Sorenson, 2000; Miller and Le Breton Miller, 2005). Then the literature review chapter explored the characteristics of family businesses in order to understand what a family business is. The main research questions and sub research questions subsequently emerged from the literature review according to the aims and objectives of this research. From the literature review the following sub research questions emerged: what is the nature of family business governance? How does family members' involvement affect the family business? What are the main multigenerational crises facing family businesses in Iran? Do cultural characteristics affect family business continuity in Iran? From these sub questions, the first research question of this research emerged as: ***"What are the main areas where generational conflicts might exist among family businesses in Iran?"*** Furthermore, in the search for sustainability of family businesses in Iran according to the aims and objectives of this research, the literature review identified a need to answer the following sub questions: how could involvement be managed in favour of family business transition? What is the appropriate governance for a family business that supports transition? What is the appropriate ownership configuration to support continuity of family businesses? From these sub questions, the second research question has been developed as **"How could family businesses overcome the multigenerational issues?"**

This chapter discusses the rationale for the research design in relation to answering these questions, considering the underlying philosophical assumptions, methodological commitments and evaluation criteria for assessing the research. All the above-mentioned issues will be justified and discussed in the following sections because, according to Thomas (2006), findings are shaped by the assumptions and experiences of the researcher conducting the study and the data analysis.

3.2 An Interpretive Approach to Exploring Family Business Succession

Creswell (2003, 1994) and Guba (1990) argue that most research paradigms share three fundamental elements: ontology, epistemology and methodology. Ontology concerns the nature and form of knowledge in the physical world, while epistemology concerns the source of knowledge, or the ways of knowing knowledge. Actors from the different generations were the source of knowledge for this thesis. Thus, access to the knowledge or social reality was gained through interviewing these actors (Alvesson, 2011). The third fundamental element is methodology; that concerns the rationales behind the procedures used to research what it is believed is possible to be known (Creswell, 1994; Guba and Lincoln, 1994).

The research philosophy for this study is interpretivism, which looks for insights and draws a picture of reality. Therefore, this study seeks to interpret the situation and understand it from the participants' point of view. Zahra et al. (2004) discuss that family members are the key elements of sustainability of a family firm. Therefore, the interpretation of their experiences, attitudes and beliefs can be good sources for generating useful findings.

Research can be undertaken through a number of research paradigms that shape the research design. Pittaway (2005) uses the term paradigm to define different forms of social science demonstrating fundamentally different philosophical orientations. Moreover, the types of contributions researchers will arrive at are inevitably influenced by the choice of paradigm (Kapoulas and Mitic, 2012). The current study followed Burrell and Morgan's interpretivist paradigm (Burrell and Morgan, 1979) to explain the philosophy appropriate for this research. This research therefore took an interpretivist approach, whereby the research questions were explored and understood from the participants' point of view, with the aim of understanding how their shared versions of reality emerged and were maintained to help explain the sustainability of family businesses. Since the researcher's philosophical position can shape the research design, knowing how the researcher was to explore the reality of the issues between family members was important in order to adopt the appropriate method to study the phenomenon.

Interpretivism is defined as understanding the meaning of a set of actions to an actor through some form of contact with how they experience their experience (Johnson and Duberley, 2000). In this study the process of understanding the phenomena takes place through interpreting what the participating stakeholders experienced. Accordingly, interpretivist approaches contribute to gaining better understanding of the phenomena in building new theories and knowledge (Kapoulas and Mitic, 2012). In the twentieth-century, among academics, qualitative methodology and the interpretive stance increasingly gained popularity, leading to a question as to whether a paradigm shift was occurring on a larger scale, i.e. whether the interpretivist approach was going to replace positivism as the dominant paradigm in studies (Hunt, 1994; Hogg and Maclaran, 2008), cited in Kapoulas and Mitic (2012).

Ngwenyama and Lee (1997), cited in Mingers (2006), suggest that interpretive research is very critical of positivism, and statistical analysis in particular, because the social world is naturally different to the material world and a human social construction is not able to be measured via statistical models. Johnson and Duberley (2000, p34) also believe that "anti-positivist claims have a very practical significance for researchers since they demand an inductive approach to gathering data about the constellations of norms beliefs and values (i.e. culture) that influence actors' sense-making activities and thereby legitimate and explain the particular courses of social action they adopt". The interpretivist approach's strength and power lies in its ability to address the complexity and meaning (consumption) of a situation (Black, 2006). The resulting data is rich and holistic and this has been advocated as the best strategy for discovery, exploring a new area and developing hypotheses (Miles and Huberman, 1994). On the other hand, some commentators have argued that the results of qualitative research may be of more relevance and interest to management practitioners than those derived by conventional methods (Saunders, Lewis and Thornhill, 2003). It is the role of the interpretivist to seek to understand the biased reality of those that they study in order to be able to understand their motives, actions and intentions in a way that is meaningful for these research participants (Saunders et al., 2003).

I was trying to make sense of how actors make sense of family business continuity. Gill et al. (2010) argue that the aim of an interpretivist approach is to understand (v*erstehen*) how people make sense of their worlds. Interpretivists (Blaikie, 2007) argue that the study of social phenomena requires an understanding of the social world that people have constructed and which they reproduce through their continuing activities. People are constantly involved in interpreting and reinterpreting their world- social situations, other people's actions, their own actions, and natural and humanly created objects (Blaikie, 2007). Hence individuals in the first and second generations (different generations) are likely to view the survival of the family business differently, because they have different experiences of their conflicts.

In this thesis the position taken is that the notion of perpetuation (sustainability) of a family business could be understood through an understanding of the meaning of the concept from those involved in this form of social action. In order, therefore, to develop an understanding of the interpretations deployed by the actors who were being studied (Denzin and Lincoln, 2000; Giddens, 1976; Shotter, 1975), an interpretivist approach was adopted for this thesis, because understanding of human behaviour is concerned with the perceived understanding of human action rather than with the forces that are supposed to act on it (Bryman and Bell, 2011).

However, it would seem that despite the "coming of age" of interpretivist research (Prasad and Prasad, 2002), cited in Cassell, Buehring, Symon and Johnson (2006), there are still a number of challenges that qualitative researchers face in promoting their work (Cassell et al., 2006). Patten (2005) states unless the author has funding for the research, qualitative data collection methods are often more expensive and time consuming than quantitative data collection methods. Interpretive research involves the interaction of the individuals with themselves, family, society and culture, which makes it extremely complex (Black, 2006). Therefore, the inductive/Interpretive approach was adopted because the researcher believes that the way that people behave is based on their interpretation of a phenomenon.

In conclusion, the essential principle of interpretivism is that there is a fundamental difference between the subject matters of the natural and the social sciences, namely that nature has to be studied from the 'outside', whereas social phenomena have to be studied from the 'inside' (Blaikie, 2007). This is in line with Gill et al.'s (2010) reasoning that natural scientists impose an external causal logic for explaining a behaviour which is inappropriate in explaining human behaviour. For example, family members in different generations behave differently, which causes conflicts or resolution of conflicts and this has an effect on the survival of the family business. Therefore qualitative research is fundamentally interpretive, in that the researcher attempts to make a logical interpretation of the data. This includes developing a description of an individual or setting, analysing data for themes or categories, and finally making an interpretation or drawing conclusions. Therefore, the qualitative researcher views social phenomena holistically and systematically reflects on the subjects of the inquiry (Creswell, 2003).

According to Blumer (1969), meaning arises from social interactions. Therefore, the reality is different from each actor's point of view in this research, i.e. interpretations by participants in the first, second and third generations differ because they have different experiences of their relationship or conflicts and they perceive the reality based on their understanding. Thus, the reality about the conflicts between family members is out there, with the researcher gaining access to actors' reality by exploring their views and then giving his personal understanding to participants' thinking by interpreting their views. As Bulmer (1969) discusses, meaning is handled and modified through an on-going interpretive process, i.e. meanings are not fixed.

In interpretivist research, in understanding the world, researchers must engage and participate in it (Hatch, 1997). In treating this thesis as interpretivist inductive research, during the data collection process the researcher was in a privileged position to stand back and listen to the actors' perceptions about their conflicts and how to overcome them. Therefore the knower and the known (Johnson and Duberley, 2000) were separate, and thus the researcher was aware that he should not to bring his bias into the process and should not influence the participants' views. Accordingly, the researcher recognised the need for separation of the knower and the known and he had to design the research to minimise the influence of the researcher in collecting the participants' views. Later, at the data analysis stage, he engaged with rigorously interpreting the data, as is described in more detail in chapter 4. Hence what we call our data are really our own constructions of other people's construction of what they and their compatriots are up to (Geertz, 1973).

3.3 The Qualitative Research approach

In the previous section, interpretivism as a methodological or theoretical position has been discussed. Explanation will now follow of how this research was conducted through this interpretivist approach. Interpretivism is seen as a qualitative research approach by many authors (Bryman and Bell, 2007) and this section will discuss how the design of the current study was based on this form of qualitative research.

There are two approaches to exploring a research issue: quantitative and qualitative methods. Both terms are related to the type of methodology adopted for data collection and data analysis. The quantitative approach usually has its basis in positivism, and entails an objectivist conception of social reality that adopts a distinctive epistemological position wherein numbers play an important part (Bryman and Bell, 2011), which differentiates it from qualitative research. If researchers are interested in finding the cause and effect relationship in a phenomenon, the quantitative approach may be appropriate (Bryman, 2004). However, it was not the aim of this research to establish a cause-effect relationship between the family members' views and their generational conflicts in the family businesses. Neither did the researcher intend to quantify the actors' attitudes and values with respect to developing their relationships. Therefore, a quantitative approach was not considered appropriate for the purpose of this thesis.

"It is fair to say that qualitative research is no longer viewed as merely 'speculative' or 'soft', as was generally held to be the case by many in the past" (Goulding, 2005, p294). The results of qualitative research are presented as discussions of trend and/or themes based on words not statistics, whereas in quantitative research, the results are presented as quantities or numbers (Patten, 2005). However, it is necessary for the qualitative researcher to produce detailed explanations and interpretations of data that can hold a myriad of meaning (Black, 2006).

King and Horrocks (2010, p7) suggest quantitative data is "concerned with measurement, precisely and accurately capturing aspects of the social world that are then expressed in numbers, percentages, probability values, variance ratios, etc. Measurement, a term loosely employed here, is approached differently by qualitative researchers. The aim is still to capture aspects of the social world but this is done in numerous ways that do not rely on numbers as the unit of analysis. Using the term 'qualitative interviewing' which situates the methodology deliberately within the qualitative domain where a broad and holistic approach is taken to the study of social phenomena ".

The key distinction between quantitative and qualitative is that the role of quantitative inquiry is to describe the general and to ignore the particular, while qualitative inquiry seeks to explain the particular (Hyde, 2000). The major feature of qualitative researchers is that they concentrate on naturally occurring, ordinary events in natural settings, so they can develop a strong understanding of what real life is like. Furthermore, confidence is supported by local groundedness that refers to the fact that data was gathered in close proximity to a specific situation, rather than through the mail, or over the phone. Another feature of qualitative data is its richness and holism, with a strong possibility for enlightening complexity (Hyde, 2000). As the data is typically collected over a sustained period, this makes it powerful for analysing any process, and the inherent flexibility of qualitative studies gives further confidence to understand what has been going on. Qualitative data, with its emphasis on people's lived experience, is fundamentally well suited for locating the meanings people place on events. Qualitative data is the best strategy for discovery, exploring a new area, and developing hypotheses (Miles and Huberman, 1994). A qualitative approach was adopted to undertake this study and to gain an understanding of the situation from the participants in the selected family businesses.

Silverman (2000) argues that the methods used by qualitative researchers can provide a deeper understanding of social phenomena than would be gained from purely quantitative data. This research study chose to interpret changes over time and to generate better understanding by exploring the sustainability of family businesses in the perspective of family-members. Furthermore, the participants in this study were mainly family members but were also family owners or managers and policy makers. Thus, they can understand what is going on as well as where their company is heading. The roles of leadership and their commitment are essential to the sustainability of their family firms. One of the focuses of this study was therefore to understand their motives and also their plans and actions towards their family firm's sustainability.

Consequently, the qualitative approach differs from the quantitative approach in that it tends to be concerned with words rather than numbers. For example, in the qualitative interpretivist approach the stress is on understanding the social world through an examination of the interpretation of that world by its participants (Bryman and Bell, 2011). Through *Verstehen*, qualitative methods aim (see Alvesson and Deetz, 2000; Denzin and Lincoln, 2000; Van Maanen, 1998) at understanding of others' experiences by inductively accessing the actual meanings and interpretations they subjectively and inter-subjectively deploy in making sense of their worlds and which influence their on-going social construction and accomplishment of meaningful action (Gill et al., 2010, p. 62).

The qualitative approach allows researchers to capture data on 'the perception of respondents in the context of their setting, through a process of attentiveness and empathetic understanding' (Miles and Huberman, 1994, p. 6). In the present study, qualitative research allowed the researcher to get a deep understanding of the personal views of first, second and third generations at the family businesses as decision makers in their business regarding their succession planning: why do different generation family members conflict with each other in the business, what could trigger them to become involved in the family business and how do they plan to transit the family business into the next generation? That approach helped the researcher to get a rich picture of the stories behind each relationship by collecting very detailed qualitative data. The following section explains the research strategy, the sampling selection and data collection methods that were used.

3.4 Research Method

The aim of this chapter is to explain the methodological approach taken to achieve the objectives of the research study. The author started his research journey with an evaluation of the literature (see Chapters 1 & 2) to gain a pre-understanding of the research study subject. This is considered as a vital process towards understanding the research subject and contributes to the body of knowledge with some valuable insights. Aspects such as people's knowledge, insights, and experience before they engage in a research programme or a consulting assignment are considered as pre-understanding; understanding refers to their improved insights emerging during the programme or assignment (Gummesson, 2000).

Data for a case study can come from many sources of evidence, such as documentation, archival records, interviews, direct observation, participant-observation and physical artefacts (Yin, 2003). Creswell (1998) argues that observations (ranging from nonparticipant to participant), interviews (ranging from semi-structured to open ended), documents (ranging from private to public) and audio-visual material (including materials such as photographs, compact disks, and videotapes) are considered as basic types of information to collect. In this context, semi-structured interviews were the appropriate method to collect data for this study. The generation of data is reliant mainly on the experiences, beliefs and attitude of the participants. Since the author visited all the companies' sites, some notes were taken through the process of observation whilst conducting the interviews.

The purpose of this study was to collect data from manufacturing family firms as cases to study using face to face semi-structured interviews with key managers. However, the amount of time required as well as recruiting the participants should be considered in conducting qualitative research. The best recruitment strategy is probably to send a letter with basic details of the study's aims and what will be required of the interviewee, with a follow-up phone call in which the author can explain his/her aims in more depth and answer any queries (King, 2011).

As explained above, a qualitative research method was adopted for this thesis. According to Creswell (2003), the qualitative researcher views social phenomena holistically. This explains why qualitative research studies appear as broad views rather than micro-analysis; it can enable the researcher to gain a holistic view of the phenomenon under investigation. Different ways are available of collecting qualitative data, such as observation, interviews, documents, and audio-visual materials (Creswell, 2003), in order to understand people's perceptions of the phenomenon under investigation. Interview is the most widely employed method in qualitative research and is attractive to researchers because of its flexibility (Bryman and Bell, 2011). Using interviews for this thesis allowed the author to pick up on the interviewees' responses and ask new questions during the interview process, giving new insights into the data.

In order to gain a better understanding of the conflicts and how to overcome them, the researcher interviewed family members from the first, second and third generations. The first generation were entrepreneurs and senior experienced family members and their views helped to explain the background of the business and their expectations from new family members in the family business. The perceptions of these people were very important as they were the prime sources for the business and family as they were head of the business and head of the family. Furthermore, they could have the most impact on the continuity of the family business as they were the most influential people in the family and the business. Therefore, the researcher conducted three interviews with first generation family members.

The majority of the interviews in this study were conducted with second generation family members who were involved in the business, in order to get the new generation's views on their involvement in the business, on conflicts and on continuity of family business, and compare these with the first generation's views. This helped the researcher to compare the two generations' concerns over continuity of the family business. The researcher also interviewed some second generation non-involved owner family members to compare different ideas on the reasons for involvement, resolving issues and continuity. In total, the researcher conducted eleven interviews with second generation involved family members.

The researcher also interviewed non-family managers involved in the business in order to get perspectives on the continuity of the family business from employees outside the family circle and compare and contrast these perspectives with those of family members. They may have had relevant first-hand experience of conflicts among family members during their career in the family business. Therefore two non-family managers were interviewed.

The researcher also conducted interviews with third generation family members. Companies who have made it to the third generation have also been successful in the transition between the first and second generations. These successful transition experiences and the views from third generation people on how the business adapted could help to identify the differences and similarities between successful generations and those that have struggled with transition. Therefore, first, second and third generation family members were interviewed in this research.

3.4.1 Study of family businesses in Iran

It seems necessary to explain that all the interviews were conducted with Iranian family businesses according to the main aim of this research. These companies were selected, firstly, because they were operating in Iran, secondly, because they were family businesses with family members involved in the business, and thirdly, as SMEs, they were all of similar size.

The researcher is involved in a family business in Iran and the family business has struggled with survival in the second generation, thus the researcher has a personal interest in conducting research pertaining to Iran. Furthermore, after the country's revolution in 1978 and the subsequent war between Iran and Iraq, many individual medium size businesses were formed (Curtis and Hooglund, 2008), especially in the wake of the rapid growth in population after the revolution in Iran (Curtis and Hooglund, 2008). The country's population increased from approximately 35 million in 1979 to approximately 78 million in 2013. Some of these family businesses are struggling to successfully transit to the next generation; however, there is a shortage of data for these family businesses regarding successful transition. Therefore, in the absence of other studies in this area, this research is being conducted to develop, explain and present a model or process for success for Iranian family businesses struggling to achieve continuity.

3.4.2 Purposive Sampling Technique

A purposive sampling procedure was followed in the selection of the organisations and participants in the research. Creswell (2003) argues that the idea behind interpretive research is to purposefully select participants that are viewed as most likely to help the researcher understand the problem and the research question. Thus, in this research purposive sampling demanded that the researcher thought critically about the parameters of the population under study and chose the sample cases carefully on this basis (Silverman, 2005). The sample was selected from family businesses with family members involved in the business in the first, second, or third generation. As a result of the purposive sampling approach, three more family businesses were identified as potential participants.

In total nineteen semi-structured interviews were conducted, with four family business founders, two non-family members involved in the business, eleven family members from the second generation and two family members from the third generations. The family members selected for interview for this research and their roles in the business are presented in chapter 4 (table 4.1).

The participants were chosen from family members involved at senior levels in the family business; for example, family members who were working as managing directors or CEOs or in the sales or purchase department. As decision makers, it was important to gain the views of senior owner managers at the family businesses. Similarly, it was important for the researcher to gain access to the perceptions of experienced non-family managers in the family businesses.

3.4.3 Interview Technique

Interview was the main method used for collecting data in this research. The interviews were semi-structured, in-depth, face-to-face, and one on one. It was the researcher's concern and interest to get a detailed and deep picture of the interviewees' perceptions and ensure their understanding of the interactive collaborative process. As Silverman (1997) stresses, qualitative interviews provide us with a means to explore the points of view of our research subjects, and therefore semi-structured interviews were considered the appropriate data collection method for this research.

Drawing on the themes derived from the literature, a list of interview questions was designed (Table 3.1) based on two main themes: generational conflicts and succession planning in Iran according to the aims of this research, to explore how family members make sense of their family and business expectations, in order to enable the researcher to gain the necessary insight to devise a successful plan for family business continuity. The participants were asked to state their role, the history of their involvement and some of their experiences working within the family firms. Thereby, the questioning attempted to develop a picture of the story behind the involvement, family participation, policies and continuity planning. For example: 'How did your business turn into a family business?' 'Have you experienced any generational issues?' 'How can a family business survive into the next generation?' (Table 3.1)

Table 3.1: Interview questions

Interview Questions
1. Could you please let us know how your business started? Background and Biography? 2. How did your business turn into family business?

3. When and how did family members join the business? Which generation are they in?
4. How did you manage family members' involvement into the business? Are they aware of Family business values?
5. What is your policy or governance structure for family members' involvement and their role in the business?
6. How do their involvements affect the business or family?
7. What are the family members' roles in the family business succession and succession planning?
8. How do Family members act in their Professional capacities or has it not been defined?
9. Have you experienced any conflict or issues in the business between family members? If so, how did you manage that?
10. Has your business experienced any power conflicts between family members?
11. How do you prepare to transit the business to the next generation?
12. How do your cultural ties affect your family members and consequently the business?
13. Could you explain if you have experienced any generational issues in your involvement in the business? If so, what were they? And what was your reaction?
14. How have you managed generational issues in the business?
15. How do you prepare or educate family members to continue the business or for success of the family business in the future?
16. What is your perspective for the future of the Business?
17. Would you like to add anything else (How you could overcome family business issues and survive to the next generation)?

The list order was not rigidly followed, but instead the researcher varied the sequence as he picked up on particular comments by the interviewee. However, all the questions were answered by all the interviewees. The same questions were asked to all the interviewees. These interviews were semi-structured in nature, thereby allowing the interviewees to talk about what they were experiencing, what they thought about their family business, aims of involvement, their expectations and the expected future of the business. This form of interview also allowed the researcher to clarify the questions and answers and ask new questions, using interaction with the interviewees to follow up their replies and gain a rich picture of each interviewee. The data collection was conducted between June 2012 and April 2014.

Throughout the interview sessions, the focus was on discovering the history of the family businesses, family members' involvement, and perceptions of sustainability of the family business. The advantages of this method are that participants can provide historical information and that it allows the researcher 'control' over the line of questioning (Creswell, 2003). It allows the researcher to fully explore the topic from the respondent's perspective (Doole, 2000). As Denzin and Lincoln (2005) argue, an interview is a conversation; it is not a neutral tool, for two people can create the reality of the interview situation. The researcher gained historical and in-depth information about successful and unsuccessful examples of different generations working together by asking family member actors to tell the stories of their current and past relationships.

3.5 Data Collection Method and Procedure

In this thesis data collection took place in two phases which will be explained in the next section.

3.5.1 First Phase of Data Collection

In the first stage of the study a number of preliminary interviews were conducted in order to understand how people in family businesses make sense of their understanding about their family business, the generational issues and their understanding about how to achieve transition of their family business into the next generation, The aim was to investigate the initial underlying assumptions made by the researcher on succession of family businesses between generations in Iran, where the researcher's family business operates. From June 2012 to September 2013, preliminary interviews were conducted with three family business founders, both of whom were involved in their own family businesses in Iran; the companies were from manufacturing industries (Table

3.2). The researcher had initial difficulty in interviewing these family members as, firstly, they were heavily involved in their businesses and, secondly, they did not feel it was appropriate for them to share their family's experiences in the business and their family conflicts, because they wanted to protect the privacy of their family business. However, as the researcher is a member of a well-known family business he was familiar with other family businesses, which also trusted the researcher on maintaining the confidentiality of the supplied information as a matter of family privacy. The researcher's strong connections with other family businesses in different sectors that met the criteria for this research (family businesses, first, second or third generation family members involved in the family business, SMEs) helped him to find participants for the interviews.

Table 3.2: First Phase Data Collection Sample

Family business	Business	Participants
B	Manufacturing	Founder and CEO
G	Manufacturing	Founder and CEO
H	Manufacturing	Founder

Making the appointments with interviewees involved different stages. First, the researcher sent his profile and the aims of his research to different family businesses in Iran and requested to interview some of the senior family members who were involved in the business, especially the founder of the business. At the second stage, through the intermediary support of mutual friends, people involved in family businesses were contacted in order to gain their agreement to participate in the research and share their experiences with the researcher. At the third stage, the researcher followed up each family member by telephone to make an appointment with the relevant people. From the researcher's point of view it was important to gain the participants' full agreement because of data protection and ethical issues, and also to provide assurance that any information would be used for the purposes of the study and nothing else. All these issues will be discussed in detail in the ethical issues section.

Participants who were involved as family members were asked beforehand whether they would allow the researcher to make audio recordings of the interviews. However, at the beginning of the interview sessions the researcher thanked respondents for their participation and repeated that he would like to record the conversation and then recorded the participants' reconfirmation using the audio recorder. There were four cases where the participants preferred not to use the recorder during the conversations but the rest of the interviews were recorded. The same procedures for making appointments and getting agreement from non-involved family members and non-family manager respondents were followed for the second phase of data collection.

The researcher had a list of questions which were informed by the literature review framework and the research aims. The questions mainly focused on conflicts between family members in the family business, how the family business started and how it had grown and turned into a family business, the multi-generational issues it faced and how it had survived these, and the stage at which the family business was currently and its strategic plan for successful transfer to the next generation.

At the end of the interview, participants were asked whether they would like to add anything else to the conversation. In some cases respondents raised interesting points which were useful to the research. However, prior to the main questions, some basic questions were asked, relating to such as the role of the interviewee in the organisation, working experience, the number of staff and the size of the company.

These basic introductory questions made the respondents more comfortable in answering the rest of the questions during the interview session, because they helped to establish a trusting relationship between the interviewee and the researcher. In other words, although the topic of the interview was not a comfortable one for family members to talk about because the topic was related to the privacy of their family and their family business, at the same time the research topic was interesting for them as they were looking for the same practical result: to overcome their generational issues in the family business. This common aim between the researcher and the interviewee made them enthusiastic to participate in the interviews and share their ideas. The fact that the researcher was a member of a family business struggling to succeed into the next generation was further motivation for the interviewees to participate in the interview.

All interviews lasted an average of an hour and were held at the interviewees' offices, in the different cities in Iran (Isfahan, Kerman, Tehran, Shiraz) where the companies were based. The results of the first phase of study, from the founder's point of view, revealed the diversity of involvement in the family businesses. The family members cited different purposes for their engagement, such as family needs, family succession planning, and family name as a brand, knowledge transfer, trust, cultural expectations, and family ties. These details will be explained in the discussion chapters. The outcomes of the first phase of the study helped the researcher to clarify the selection of the family business sample for the second phase of data collection. He decided to consider the views of family members from different generations involved in the operations of the family businesses because later generations that were operationally engaged were likely to have different views compared to the founders as decision makers in the companies. Moreover, as a consequence of the first two interviews, the interview questions were re-phrased as the practitioners expressed the opinion that the questions used in the interview were couched in academic language.

Preliminary interviews also helped the researcher to assess whether the length of the interview and the sequence of questions were appropriate, because long interviews can tire the respondents, and an inappropriate order of questions could cause confusion in the responses.

3.5.2 Second Phase of Data Collection

The second phase of the study faced the challenge of examining important conflicts mentioned in the first phase of data collection. Since the first phase of research had illustrated diversity in aims and expectations of business involvement based on the generations' different attitudes, the researcher arranged meetings and interviews with younger generation family members to understand the conflicts that were important to the second generation and compare them with the founders' generation. This comparison was designed to understand how to overcome the conflicts, with the aim of achieving sustainability.

Some interviews were conducted with non-family managers who were working in the family businesses; here, the purpose of these interviews was to get the ideas of experienced non-family managers in case the family members hesitated to identify all the issues due to family ties, and also to look at these issues from a different angle.

The researcher interviewed family members from the third generation to compare their expectations and concerns (on working with the business) with those of the first and second generation family members. It was also intended to compare third generation members' views on factors affecting transition of the business with those of family members who had experienced it before.

3.6 Data Analysis Approach and Procedure

In this research, as social science research, it was necessary for analysis to focus on explanations of human action generated inductively during data collection, in order to develop an understanding of the interpretations deployed by the actors being studied (see Denzin and Lincoln, 2000; Giddens, 1979; Shotter, 1975).

The aim of the research was to contribute to the understanding of multigenerational issues in family businesses, and how to overcome these issues in order to create a successful plan for family businesses continuity. It was decided to adopt a general inductive analytical process for the interpretation of the data.

3.6.1 General Analytic Induction

The method of induction is the process of proceeding from the particular to the general- universal (Locke, 2007). It is a process that starts with an observation of something that is a puzzle and needs exploration, e.g. a general question, with the ultimate aim of developing a new theory. When applied to social research this process leads to generation of a theory. Generalisation is questionable in this approach because, according to Bryman (2008), the scope of the findings of qualitative investigation is restricted; it is impossible to know how the findings can be generalised to other settings. Can just one or two cases be representative of all cases? The answer is no, but the findings of qualitative research are intended to be generalised to theory rather than a population. It is the quality of the theoretical inferences that are derived from the qualitative data that is crucial to the assessment of generalisation.

However, Gill and Johnson (2006) argue that human beings are able to attach meaning to the events and phenomena that surround them. Therefore, examining family members in family businesses could reveal different understandings and different views because they are from different generations and have different experiences of their relationships with each other. It could also provide fruitful contrasts and comparisons and thereby confront the emergent theory with the patterning of social events under different circumstances (Johnson, 1998 in Cassell and Symon, 1998). McCracken (1998) believes that the object of analysing qualitative data is to determine the categories, relationships and assumptions that inform the respondent's view of the world in general, and the topic in particular.

Johnson (1998) claims analytic induction is a set of methodological procedures that tries to generate theory grounded in observation. This approach shaped the researcher's thoughts in applying the analytical induction approach to the data analysis.

In developing the analytical approach, data were gathered from family members and non-family managers and the interview transcripts were analysed, producing a provisional list of some common features and deviant cases. Then similarities between categories were established. Deviant features were accommodated either by linking them with other common features or by generating a new category with unique features. Eventually, cross-case analysis within the groups and between groups of family members was undertaken and a number of themes emerged from the data. In the next chapter, the details of the data analysis procedure in practice and findings will be illustrated.

Thomas (2006) argues that many of the underlying assumptions and procedures associated with qualitative data analysis are related to specific approaches or traditions, such as grounded theory (Strauss and Cobin, 1998), phenomenology (e.g. Van Manen, 1990), discourse analysis (e.g. Potter and Wetherell, 1994) and narrative analysis (e.g. Lieblich, 1998). However, a much-used strategy in qualitative data analysis is the 'general inductive approach' (Bryman and Burgess, 1999; Dey, 1993). Thomas states that the inductive approach is a systematic procedure for analysing qualitative data in which the analysis is guided by specific evaluation objectives. It refers to detailed readings of the raw data, and this drives the identification of concepts, themes, or a model, through interpretations made from the data by the researcher (Thomas, 2006). The researcher begins with an area of study and allows the theory to emerge from the data, thus building an understanding of data analysis and theory in a manner that is consistent with Strauss and Corbin's (1998) grounded theory methodology. This approach was adopted in this thesis.

3.7 Problems encountered

Although this research has a well-designed methodology, the researcher encountered a number of problems during the process of data collection and data analysis.

The first of these was related to using an audio file recorder. In one case the interviewer did not press the recording button properly, and as a result an interview lasting more than one hour was lost and another appointment had to be arranged with that interviewee. In that case it took one and half months to re-schedule the appointment as the interviewee was a senior family member and had difficulty finding free time to repeat the interview; also, the interviewee understandably did not have the same interest in the questions. Therefore, the interviewer had to exercise technical skill and attention to detail. That was a lesson for the researcher to double-check the recording device, even during the course of the interview, for the rest of the interviews.

The second challenge was generally related to making appointments with the participants. At an interview with one of the family members, the researcher and interviewee agreed on a one-hour meeting. However, in the middle of the interview, the interviewee received a call and apologised that he needed to answer the call and then apologised again that he needed to leave the session; thus the interviewer had to cut the interview to half an hour. Therefore, the researcher focused on asking a few crucial questions, as the view of that interviewee was important to the research. In other cases, the researcher's interpersonal skill and network of contacts facilitated making appointments with family members. In four other cases, the family members did not agree to audio recording of their interviews and would only agree to the researcher taking notes.

The third issue was related to a problem in transcribing two interviews which were conducted on the interviewees' premises. Both interviewees were from manufacturing companies and there was some noise from machinery and staff talking to each other in the background. That caused some difficulty for the researcher while he was transcribing the audios. However, the researcher referred to the notes that he made during the interview session and after listening a few times to the audio the problem was resolved.

The fourth issue was that in some cases the family members of a particular business would not agree to any meetings or interviews so the researcher had to use his network to find a new family business.

3.8 Ethical Issues

Ethical issues were an important consideration throughout the research process, i.e. before the data collection, in data presentation, analysis and writing up. As human beings were involved in the research, the research proposal was sent to the university research committee, to make sure that the research would not harm the participants (Diener and Crandall, 1978). Meanwhile, potential participants were fully informed in writing of the research aim and assured that the interview data would be used solely for academic purposes.

They were also assured that confidentiality of the interview contents would be maintained, and informed that whilst the researcher wished to record the interview, other methods such as note taking would be considered if they so preferred. Most of the respondents confirmed their interest in participating by verbal confirmation, whilst four of them did not agree to audio recording but only to note taking. On the issue of invasion of privacy (Diener and Crandall, 1978), the researcher let potential participants choose the location of the interview. The *AoM Code of Ethical Conduct* recommends that issues relating to confidentiality and anonymity should be agreed with the potential research participants (Bryman and Bell, 2011, p. 129). This issue has to be taken into account when findings are being published, to ensure that organisations and individuals are not identified or identifiable (Bryman, and Bell, 2011). The issue of anonymity of individual respondents was considered in presenting data; for example, letters ('A, B, ...F') were used instead of companies' names, and the positions of the participants mentioned in the research and the names of the family businesses were not revealed.

3.9 Summary

This chapter discussed the researcher's philosophical stance which guided the research design, research method and methodology. The research question shaped the philosophical stance of the researcher, i.e. an interpretive approach to understand how to overcome multigenerational issues in family businesses in Iran. This approach had an impact on the research method.

A qualitative research approach was adopted to explore the research issue from the respondents' views, and in order to gather rich and detailed data, semi-structured interview was selected as the data collection method. Purposive sampling techniques were used to gain access to the samples; this approach was helpful in finding participants with the relevant knowledge about the subjects, which increased the quality of the data and made the data rich and reliable. In total nineteen semi-structured interviews were conducted: three with family business founders, fifteen with family members from the second and third generations and two with non-family members involved in the business. The chosen participants were involved at strategic and operational levels in the family businesses and were therefore able to give key insights into the issues. The process of data collection started in June 2012 and finished in April 2014.

The analysis process included transcribing recorded interviews, multiple reading and interpretation of the transcriptions and coding the words or statements and developing categories or themes from the coding, finding sub-topics, including contradictory points of view and new insights, selecting findings that were significantly surprising and interesting, to make arguments and interpret them continuously to draw the continuity model from the emerging themes.

Chapter 4: Data Analysis Procedure and Conceptual Model

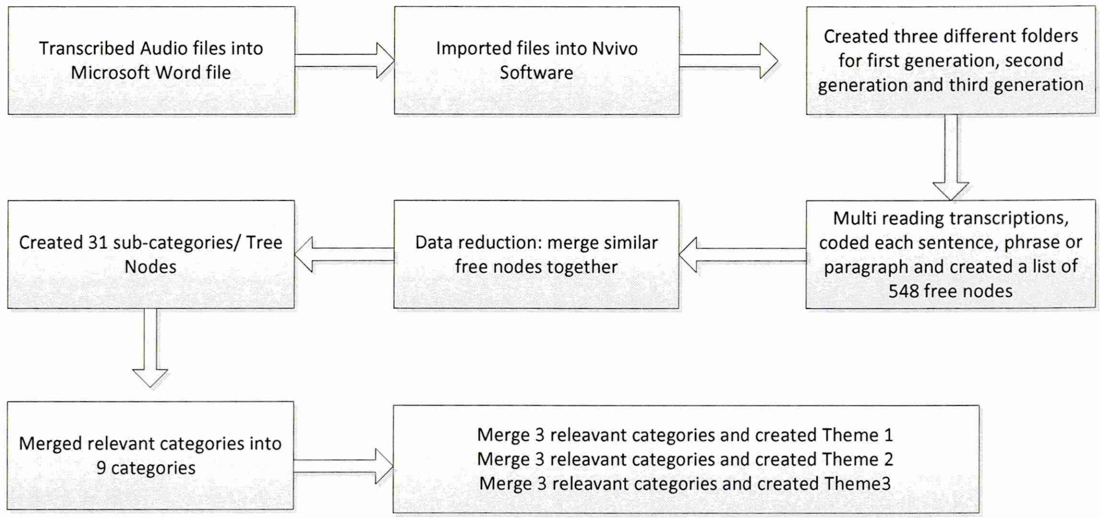
4.1 Introduction

This chapter explains the data analysis procedure, including qualitative data reduction, and how analysis of the data led to the emergence of three main themes. It also discusses the sample demographic, the participants' main concerns and finally highlights the contribution to knowledge and practice of this thesis, which will also be explained in the conclusions chapter.

According to Thomas (2006), the inductive approach is a systematic procedure for analysis of qualitative data that is guided by specific evaluation objectives. It refers to detailed readings of the raw data, and this drives the identification of concepts, themes, or models through interpretations made from the data by the researcher (Thomas, 2006). The researcher begins with an area of study and allows the theory to emerge from the data, thus building an understanding of data analysis and theory in a manner that is consistent with Strauss and Corbin's (1998) grounded theory methodology. This approach was adopted in this thesis as a means of dealing with the large quantity of qualitative data amassed. The researcher's rereading of the raw data helped him to break it down into categories and themes based on interpretation of the data. This resulted in grounding the model of continuity which will be discussed at the end of this chapter.

The researcher followed a systematic procedure aimed at reducing the mass of raw data, through coding and categorising, in such a way that clear links between the research objectives and the findings could be derived, whilst ensuring that these links were both transparent and defensible. Figure 4.1 below illustrates the data analysis procedure and themes and sub-categories which emerged from the data.

Figure 4.1: Data Analysis Procedure; Following Thomas (2006)



The following section explains the step-by-step procedure that the researcher followed to reach the above themes and conclusions.

4.2 Data Analysis Procedure

Audio file interviews with family members were transcribed into Microsoft Word files and data analysis began simultaneously until data saturation – or according to Glaser and Strauss (1967, p. 61) 'theoretical saturation' – happened, i.e. 'where no additional data [were] found whereby the *[researcher]* could develop properties of the category'. In other words, the researcher was faced with repetition in the answers to the interview questions and not much new data was presented by the participants.

Lincoln and Guba (2000) state that the process of coding can be finalised when the categories are saturated, incidents can be readily classified, and sufficient repetition occurs in the data. Thus, in the current research, new data did not add anything to the created categories or to the development of the model. Therefore data collection ceased, with the last interview conducted in April 2014. Silverman (2000) describes transcription as a form of data analysis and in this research the audio files were transcribed word for word and typed into

Microsoft word files. The process of transcription was time-consuming, but it enabled the researcher to get very close to and familiar with the content of the data. Each transcription was read through several times. Through reading the raw data the researcher had two options for managing and analysing the data, either manually or electronically (i.e. using specialist software).

The first trial was manual, i.e. I read through the first transcription a few times to understand what the sentence, phrase or even paragraph was about and then wrote each of them on a 'post it', gave each of them a code based on my interpretation of the quote, and then stuck them to flipcharts, moved the 'post its' around the flipchart as necessary and put the 'post its' with similar content together. As qualitative data is bulky by nature it was very hard to find enough space to hang the flipcharts on the wall and look at them every day, and the process became unmanageable. Therefore the use of Nvivo software was designed to manage the data. The next two parts will provide a brief introduction to the software.

4.2.1 Introduction to NVIVO

NVivo is a computer program designed for qualitative data analysis that allows the user to import and code textual data; edit the text; retrieve, review and recode coded data; search for combinations of words in the text or patterns in the coding; and import from or export data to other quantitative analysis software. NVivo was developed to support social science research and contained tools for innovative 'Non-Numerical Unstructured Data Indexing Searching and Theorising' (Bandra, 2006). The product has been further developed over the years by QSR Company. The latest version of the product, Nvivo 10, was used in analysis of the data in this research.

All data inputted into Nvivo is arranged around **Documents** and **Nodes** – the two main working frameworks within the tool. Documents are data that the user analyses in the study and all documents are in rich text format. In this study the interviews were entered as documents. Meanwhile, nodes are physical locations where the researcher stores ideas and categories for coding. Coding (putting things into codes) is a *process*; a way to label certain aspects of the data and to sort information into distinct categories. A node holds all the information that has been coded under a certain category (Bryman, 2012; Bandra, 2006). The researcher coded more than 500 nodes while reading and engaging with the data.

4.2.2 Strengths and weaknesses of NVIVO

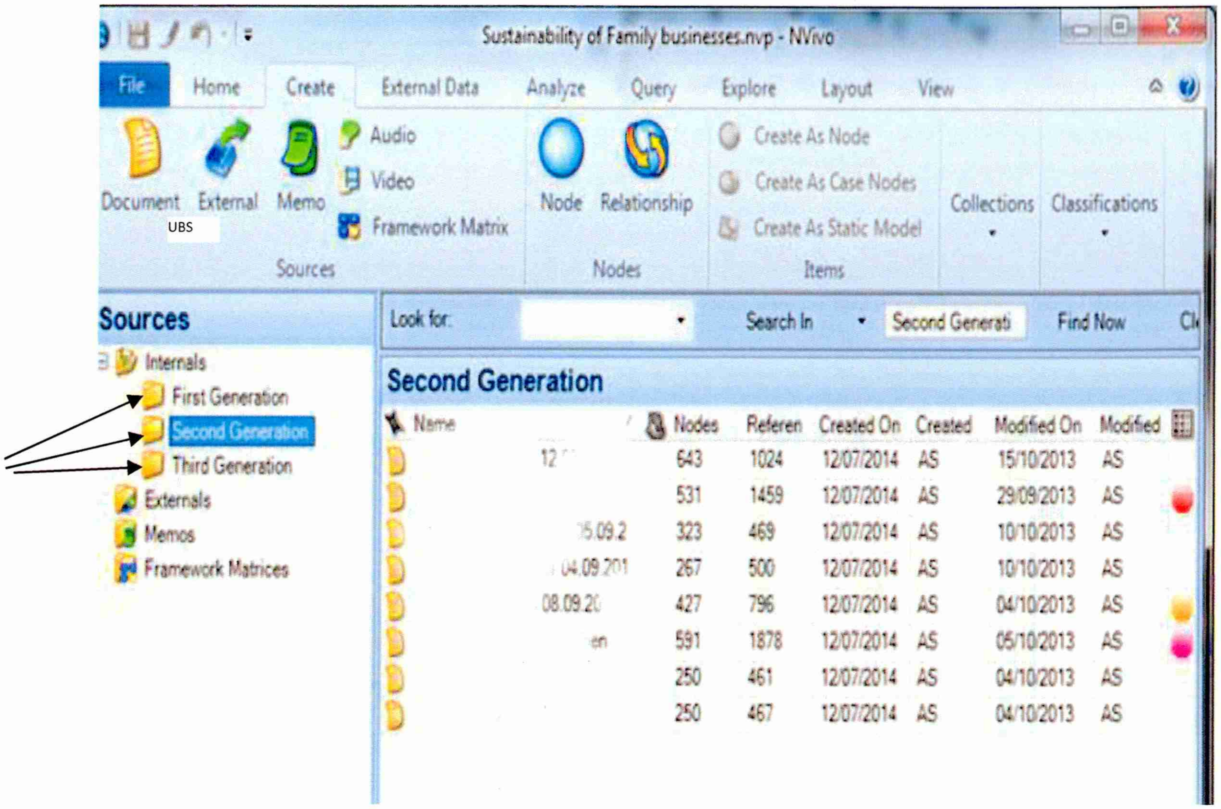
The Nvivo software has various strengths, one of the most important of which is its capacity to collate different data sources quickly and effectively. This feature saved the researcher a lot of time in analysing the data. The other useful feature of the software is that it enables researchers to spend more time on the interpretive, creative dimensions of their work (Bandra, 2006).

Furthermore, the researcher found NVivo to be an easy-to-learn tool and was able to start using it very quickly. Nvivo software works like the 'old loose-leaf binder' that many qualitative researchers of the past are familiar with (Walsh, 2003, p. 253).

NVivo helped the researcher to organise and analyse non-numerical unstructured data. The software allows the researcher to classify, sort and arrange information; examine relationships in the data; and combine analysis with linking, shaping, searching and modelling (Bryman, 2012).

Therefore, all the transcriptions were imported to NVivo software simultaneously while data collection was still in process. Different folders were created for each of the three generations of the family businesses, titled 'First Generation', 'Second Generation' and 'Third Generation', and transcriptions were transferred to the relevant folder in NVivo Software (see Figure 4.2 below).

Figure 4.2: Examples of First, Second and Third Generations in NVivo



Miles and Huberman (1994, pp. 10-11) describe three broad tasks for qualitative data analysis: data reduction, data display, and drawing conclusions or verification.

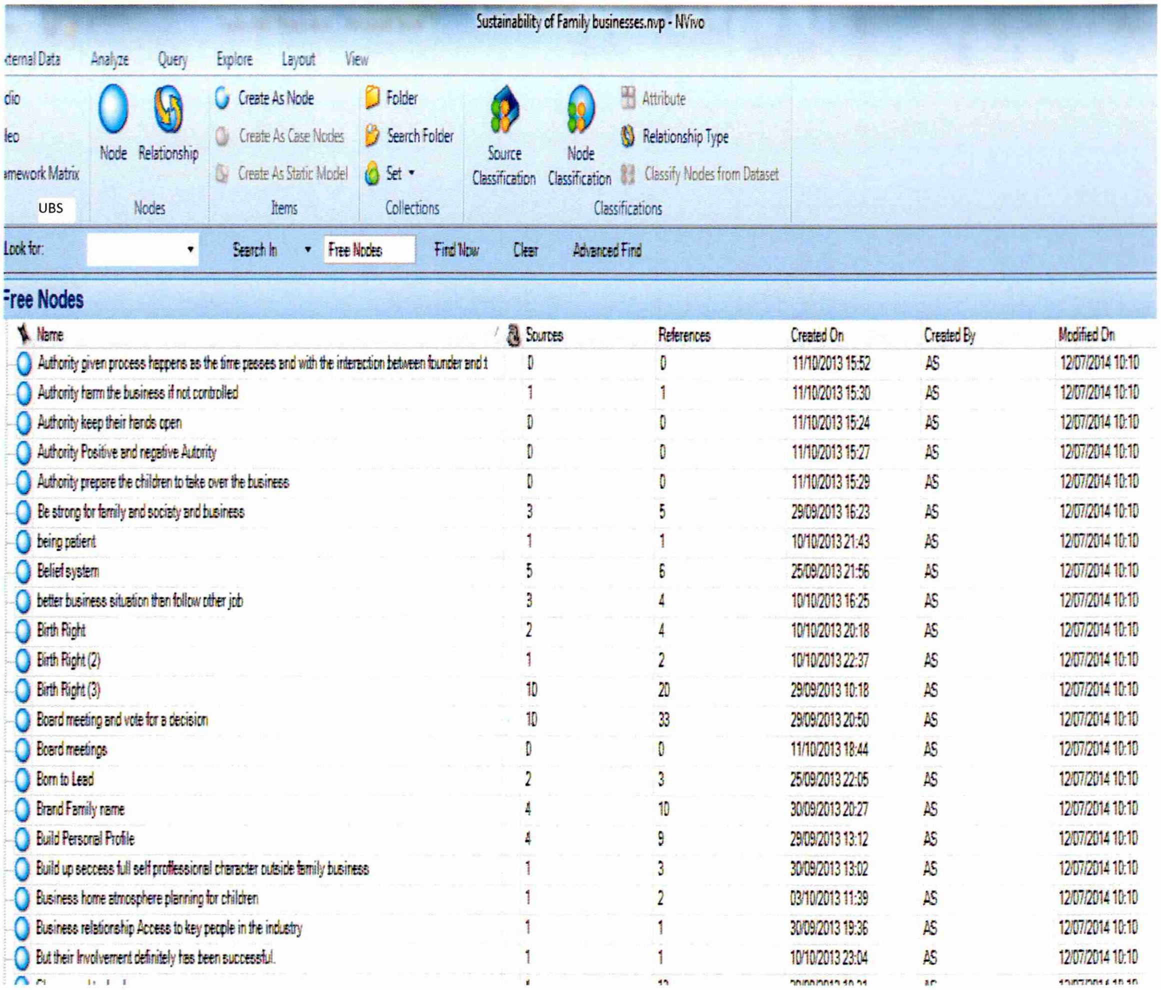
Data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the data that appear in transcriptions. It is also a form of analysis that organises data in such a way that 'final' conclusions can be established. However, Thomas (2006) explains coding and data reduction as a process in which the first step is initial close reading of the text, identifying specific text segments related to objectives, labelling the segments of the text to create categories, reducing overlap among the categories and creating a model incorporating the most important categories. This coding process (Thomas, 2006) was adopted later in this research; however, at the first stage, the researcher coded every single part of the text whether relevant or irrelevant to the objectives of the research.

As Thomas (2006) argues, the general inductive approach is very similar to other qualitative data analysis approaches such as grounded theory, however the outcome of analysis in the grounded theory approach is a theory that includes themes or categories, while in general inductive approach the outcome of the analysis is themes or categories most relevant to the research objectives, and therefore the presentation of findings is a description of the most important themes.

In this research, the researcher read each transcription several times and labelled and coded every sentence, phrase or paragraph based on his interpretation of the raw data. Codes are links between locations in the data and sets of concepts or ideas, and they are in that sense heuristic devices, which enable the researcher to go beyond the data (Coffey and Atkinson, 1996).

This differentiation was helpful for the last stages of data analysis, i.e. comparing and contrasting the views in cross-case analysis within and across the groups. This enabled me to distinguish the quotes from different generations quickly and to find the original text easily if needed. Each sentence, phrase or paragraph was considered as a free node. Free nodes were coded mainly from the words mentioned by the participants. Eventually a list of 548 free nodes was established (See Figure 4.3 below).

Figure 4.3: Examples of Free Nodes in NVivo

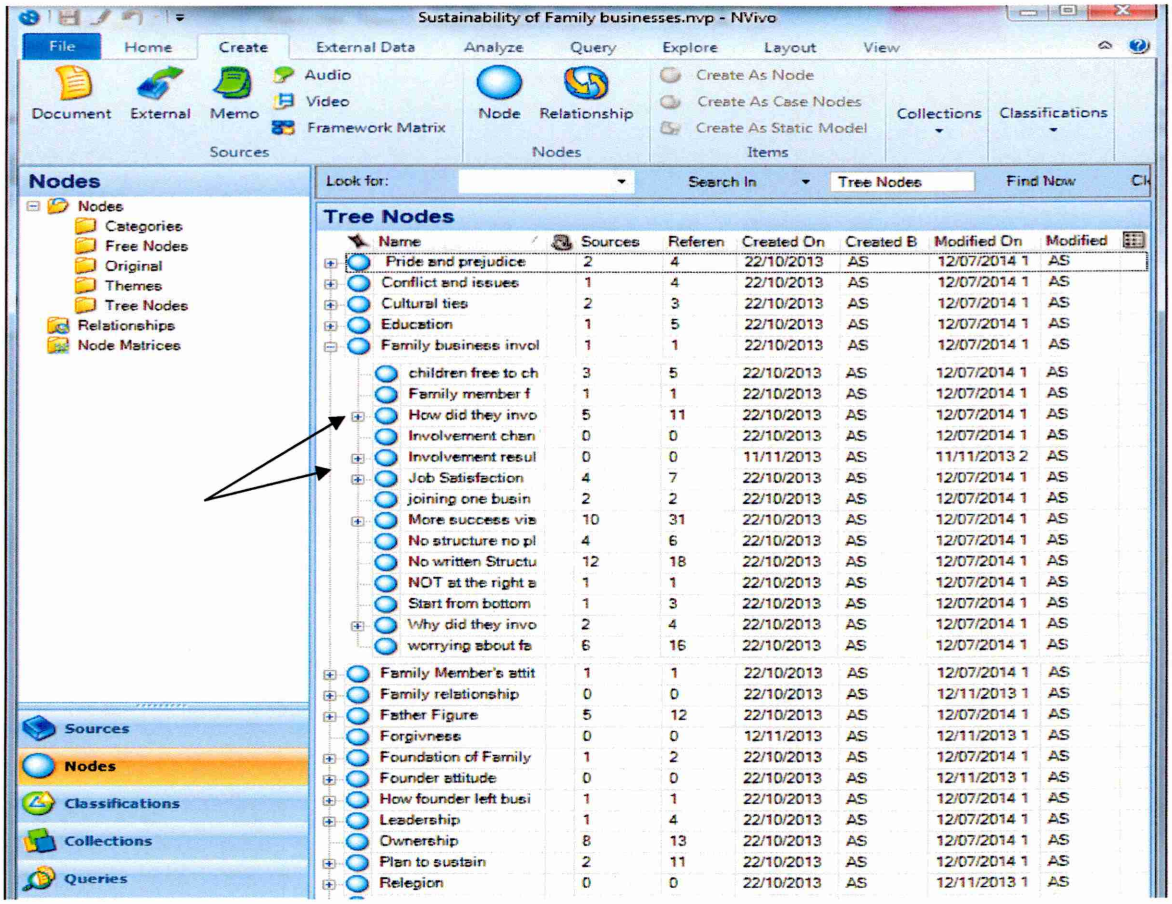


Name	Sources	References	Created On	Created By	Modified On
Authority given process happens as the time passes and with the interaction between founder and t	0	0	11/10/2013 15:52	AS	12/07/2014 10:10
Authority harm the business if not controlled	1	1	11/10/2013 15:30	AS	12/07/2014 10:10
Authority keep their hands open	0	0	11/10/2013 15:24	AS	12/07/2014 10:10
Authority Positive and negative Autority	0	0	11/10/2013 15:27	AS	12/07/2014 10:10
Authority prepare the children to take over the business	0	0	11/10/2013 15:29	AS	12/07/2014 10:10
Be strong for family and society and business	3	5	29/09/2013 16:23	AS	12/07/2014 10:10
being patient	1	1	10/10/2013 21:43	AS	12/07/2014 10:10
Belief system	5	6	25/09/2013 21:56	AS	12/07/2014 10:10
better business situation then follow other job	3	4	10/10/2013 16:25	AS	12/07/2014 10:10
Birth Right	2	4	10/10/2013 20:18	AS	12/07/2014 10:10
Birth Right (2)	1	2	10/10/2013 22:37	AS	12/07/2014 10:10
Birth Right (3)	10	20	29/09/2013 10:18	AS	12/07/2014 10:10
Board meeting and vote for a decision	10	33	29/09/2013 20:50	AS	12/07/2014 10:10
Board meetings	0	0	11/10/2013 18:44	AS	12/07/2014 10:10
Born to Lead	2	3	25/09/2013 22:05	AS	12/07/2014 10:10
Brand Family name	4	10	30/09/2013 20:27	AS	12/07/2014 10:10
Build Personal Profile	4	9	29/09/2013 13:12	AS	12/07/2014 10:10
Build up seccess full self proffessional character outside family business	1	3	30/09/2013 13:02	AS	12/07/2014 10:10
Business home atmosphere planning for children	1	2	03/10/2013 11:39	AS	12/07/2014 10:10
Business relationship Access to key people in the industry	1	1	30/09/2013 19:36	AS	12/07/2014 10:10
But their Involvement definitely has been successful.	1	1	10/10/2013 23:04	AS	12/07/2014 10:10

At the second stage of the coding process in inductive analysis (Thomas, 2006), the researcher tried to find similarities between the nodes. Miles and Huberman (1994) argue that pattern coding is a way of grouping codes into a smaller number of sets, themes or constructs. Pattern coding, from the researcher's point of view, means finding codes with the same meaning and merging them together. In other words, some of the free nodes had something in common in terms of meaning and were therefore merged together, in order, as Miles and Huberman (1994) describe, to reduce large amounts of data into a smaller number of analytical units.

The researcher opened every single free node before coding and merging them to make sure that they had something in common and then labelled them and created 31 sub categories as tree nodes, i.e. each tree node, along with a few child nodes, was related to a category. Thus Thomas 2006 argues that the label of each category carries inherent meanings that may reflect the specific features of the category (see Figure 4.4 below). Each tree node was considered as a category, whilst some of the free nodes were not linked to or fitted into any category.

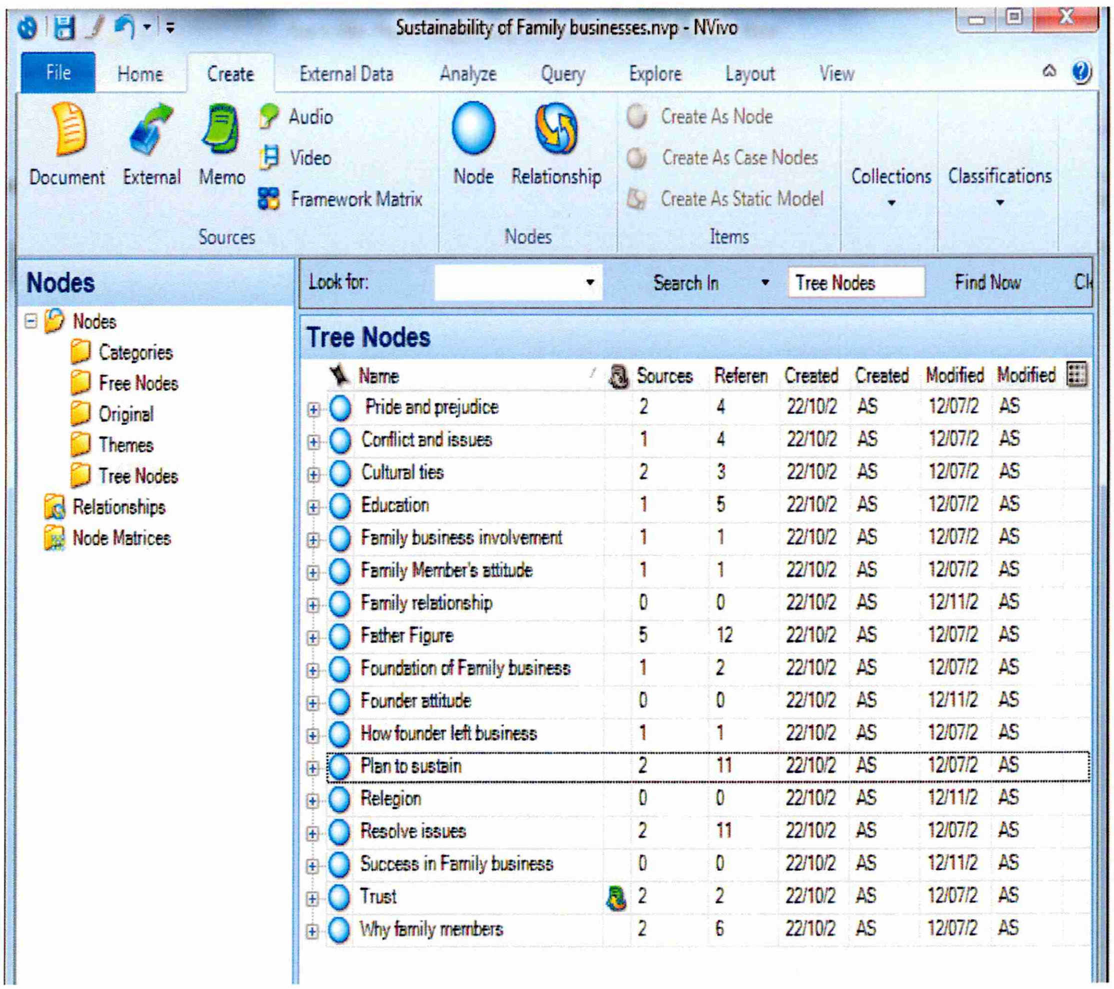
Figure 4.4: Examples of Tree Nodes in NVivo



At the third stage, there was some overlap among categories (Thomas, 2006). At this stage some of the categories which had a link or relation with other categories were merged together in a hierarchical category system and labelled with a larger heading. These links may point to super-ordinate, parallel and subordinate categories (Thomas, 2006), for example advantages of involvement under the main category of 'Family business involvement' (see Figure 4.5 below). At this stage the number of categories decreased to 9, in line with the theoretical expectation (Thomas, 2006; Miles and Huberman, 1994) of a reduction in the number of categories.

As Thomas (2006) claims, for the findings to be useable the researcher must take decisions about what is important and less important in the data. Therefore, at the fourth stage, the most important categories were selected for merging together to convey the core theme because some of the text was not relevant to the objectives of the research; thus, three main themes and nine categories emerged as the most important for creating the model (see Figure 4.5 below). At this stage, as the amount of data was still too large, some of the categories were not assigned to the main themes and were instead put aside to be used in suggested further research.

Figure 4.5: Examples of EmergingThemes in NVivo



As a result of these analyses three main themes -Sustaining Governance, Sustaining Family Trust, and Family Integration - emerged from the data.

The vast amount of qualitative data posed methodological challenges for the researcher in terms of management, and selection of the most appropriate data for analysis. The researcher overcame this challenge by focusing constantly on the objectives of the research and selecting the information most closely related to those objectives (Thomas, 2006).

4.3 Context of the Research

This research was conducted in the context of succession of Iranian family businesses through the generations; however, the main focus of the research is transition of family businesses to the second generation, in order to address a research gap that exists in relation to family businesses in Iran. In accordance with Gallo (1998), of every 100 family-owned companies, 30 pass through to the second generation and only 5 to the third. Therefore, family controlled organisations need to prepare themselves for survival and development in the face of challenges related to such transition. Consequently, this thesis explored the perspectives of family members in the context of family business succession through different generations.

This section gives information about the family businesses, the individual research participants, and the context of the study. The first section will describe characteristics of the family businesses and interviewees, such as the company sectors, number of employees, turnover, and the interviewees' position in the company, working experience, and the types of relationship they have with the family business.

The second section will offer description of the family members, including their business experience and background, and also the role that they play in relation to the family businesses.

Family members were asked to illustrate their role, the history of their involvement, and some of their working experiences within the family business. Therefore, the questioning attempted to develop a picture of the story behind the family business succession in different generations, for example: 'How did the business turn into a family business?', 'How do their involvements affect the business or family?' 'How do family businesses plan transition to the next generation?' 'How do their involvements affect the business or family?' 'How have they managed generational issues in the business? Do they have any involvement plan?' The data analysis process included coding, finding patterns, developing categories and themes from the coding, finding sub-topics including contradictory points of view and new insights, selecting some of the findings that were surprising and interesting to make arguments and interpreting them continuously to identify final themes.

The third section discusses the investigation of the data, for example family members' concerns in the process of succession, and a discussion on the process of data reduction and how the three main themes, which will be discussed in the following chapters, emerged from the data.

4.3.1 Descriptive characteristics of the family businesses

This section aims to explain the context of the companies and participants in family businesses. The following table (4.1) shows the family businesses' explanatory characteristics which were identified during the data analysis process. The details about the companies and the interviewees will now be explained.

Table 4.1: Descriptive Characteristics of the Selected Family Businesses

Company	Sector	No. of Employees	Turnover (£)	Participants' Position	Participants' Experience within the	Participants' education	Type of relationship with Family Business
A	Manufacturing(N)	250	N/A	CEO- MD Non(work outside)	35 years 14 years -	N/A MBA IT Engineer	Family member Active family member Non-Active Family-Member in the business
B	Manufacturing(S)	150	70M	CEO-MD MD MD MD Manager Manager	35 years 15 years 12 Years 8 Years 11 Years 8 Years	Bachelor Engineering MBA Finance Business Accountant	Founder Of Business Second Generation son Second Generations Son Second Generation son Non-family member Non-Family member
C	Manufacturing (KH)	50	40 M	CEO MD Manager	27 years 5 years 2 years	Engineering Business management N/A	Second generation Third Generation Son Third Generation Son
D	Manufacturing(Gh)	50	N/A	Manager	8Years		Second Generation son
E	Manufacturing (M)	40	N/A	MD	20 years		Second generation son
F	Manufacturing (Shah)	50	N/A		10 years		Second generation son
G	Manufacturing (Sha)	50	N/A	CEO Manager Manager	15 8 5		Founder and CEO second generation sister second generation Brother
H	Manufacturing (H)	30	N/A	Founder	15		Founder and CEO

Company A

The Company was founded in 1951 in Shiraz, specialising in supplying and exporting the fruits, especially to Arab countries in the south of the Persian Gulf, such as Qatar and UAE. The founder of the business (grandfather) gave a 35% business share to his grandson and another 30% to his second son. This was how the family business started. The company is now operating in different industries in manufacturing and exporting meat, dates, dairy products, nuts and fruit, with more than 150 employees and turnover of more than 150M USD per year. The CEO of the companies (Second generation) and two other family members from the company were interviewed. The CEO is in his 70s, with more than 35 years' experience.

The other family member that was interviewed has been working for about 14 years in the family business and joined the business after finishing his MBA in the UK as a third generation son. The last family member interviewed was another third generation son but he was not involved in the family business.

Company B

The founder started the business in the 1970s but registered a family business company in 1994 by allocating equal stocks of the company to family members so it was turned into a family business before the founder's sons joined the business. The founder started the lubricant factory as the first manufacturing and first family business company in 1994. The business is diversified into industries such as lubricants, agrochemicals, tea and construction. The companies are specialised in manufacturing different products and employ about 150 people. The company's turnover is about 70M USD. Although the companies are specialised and diversified into different businesses, the shareholders and the ratio of shares follow a similar model in every company.

The founder was the first person interviewed in the business and has more than 35 years' experience in the business. The elder son, who is the managing director of two other companies, was the second family member to be interviewed. He joined the business after finishing his studies as an engineer. He now has more than 15 years' experience in the family business.

The other son joined the business 3 years after the first son, after finishing his studies as a business manager and completing his MBA. He now has more than 12 years' experience. The last son joined the business 8 years ago but did not want to stay in the family business under the current structure so he left the business.

The researcher also interviewed two other non-family managers involved in the business as experienced non family members. One had 11 years and the other had 8 years' experience in the business.

Company C

The business was started in the 1970s by the founder as an entrepreneur specialising in supplying and exporting fresh dates from Iran. The father ran the business and he was well-known and had a good reputation in his industry. His only son, as the business inheritor, did not want to join the business, although his father asked him to do so when he became ill, in order to keep the family business going.

The son finished his masters as a top engineer but he always aimed to pursue his studies further and not to join the family business. The son joined different engineering giant companies and followed his own dreams until his father (Founder) became seriously ill. Then the son had to abandon his dreams and join the business in order to help his father and support the business and family. This was how the family business started. The founder died and the son continued the business and diversified it into different industries close to the original business nature for about 30 years. The company is now operating with more than 50 personnel.

His elder son was interviewed as a third generation family member, having joined the business five years ago, after graduating from university as a business manager. His father recently made him the MD of the company and guides him and controls his activities as the chairman of the board and head of the family.

The other son joined the business two years ago and was interviewed as the youngest family member in the third generation. He joined the business after finishing his studies as a civil engineer but his father asked him to run the construction business as his older son was running the manufacturing business. Their father was always afraid their conflicts would have a negative impact on the business and family.

Company D

The Company was founded in the 1980s by the head of the family. The company specialises in manufacturing and selling chocolate. The founder is the father of the family and runs the business. The researcher did not have a chance to interview the founder as he was out of the country for an exhibition on the date of the interview and it was not possible to rearrange the interview for a later date.

The first family member joined the business in 2006 as a second generation female family member. She joined the family business to support her father as the business was growing and needed more employees. This family member was not interviewed as she was not available.

The second family member joined the business in 2008 as a second generation family member son after graduating from university in industrial engineering. The family business was growing and he needed to start his career. Therefore he decided to join the family business and support his father who he respected a lot. The son was interviewed as a second generation family member involved in the business. The son was running the purchase department at the time of interview.

Company E

Company E is a big manufacturing company specialising in cutting and painting tin plate and forming it into various types of containers for tea, engine oil, food, aerosol sprays and many different industries. The company was founded in the 1960s by the father of the family and turned into a family business after the sons joined the business in 1971.

The second son was interviewed as a second generation family member. He joined the business after finishing his studies in the USA. He has more than 30 years' experience in the business as a family member.

Company F

The company was founded in the 1980s after two brothers broke up the initial business. One of the brothers, as the founder of company F, started another business for himself as one of the pioneers in the packing and carton industry in Iran. The company developed quickly and became one of the biggest manufacturers of paper and cartons in the Middle East. As the business was growing and the first son was old enough to start his career he joined the business and this was how the business turned into a family business. The company grew and diversified into five companies. I was not able to interview the founder as he died of a heart attack a few years ago. The older son was not available for interview and so the researcher just interviewed the second son who was involved in the business.

The interviewed son had been studying in Switzerland as a mechanical engineer but came back to Iran when his father suffered a serious heart attack. He joined the family business in 2000 at the age of 18 to support the family and business. He started work in the factory and has held different positions in the company so far. He is an experienced second generation family member.

Company G

This company is a family-owned business operating in the aluminium industry. The company specialises in manufacturing aluminium profiles for making doors and windows. The business started 30 years ago in the aluminium service sector, coating aluminium profiles. The founder owned a 66% share and his father had 34% of the shares in the company as his partner. When the father passed away, his shares were inherited by his other children.

Furthermore, the founder sold the other family members some of his shares in instalments to encourage them to join the business as the business was growing. Hence, now the Founder, his sister and three other brothers are involved in the business in different departments.

The founder was the most experienced family member interviewed, as the head of the family and head of the business. The founder's sister, as a second generation female family member, was also interviewed. She inherited some shares and subsequently joined to support the family business.

The younger brother in the family was also interviewed as a second generation family owner. He joined the business as the business needed employees and he needed to start his career.

Company H

Company H specialises in manufacturing chocolate and operates in the food industry. The company had been running for about 10 years and employed about 50 people. The founder of the business shared the company with his brother by selling him the majority of the company's shares; his brother then became the major shareholder of the company although he is not working within the business. The founder therefore runs the business as the sole owner-manager and was interviewed as an experienced person in his field.

4.3.2 Descriptive characteristics of the family members and non-family members

As the main focus of the research is the success of family businesses through generations, the participants were mainly selected from the second and third generations of the family businesses. However, it was important to explore the founder's generation's views and their considerable influence on the new generation and therefore on the continuity of the family business. According to Carlock and Ward (2001), the founder has the most important impact on the continuity of a family business.

It does not always happen that all family members are involved in the family business. On the other hand, as they impact on the ownership and therefore the continuity of the business, the views of non-involved family members should be considered. Carlock and Ward (2001) and Ward (2004) argue that family businesses need family members' involvement in order to achieve successful transition. Therefore, based on the aims of this research, some non-active family members were interviewed in order to understand why these family members had not been involved in the business and the impact of their non-involvement on the continuity of the family business.

Small to medium sized family enterprises employ key non-family managers in the business. The researcher interviewed non-family managers in order to investigate their ideas and experiences of working with family members in the business. The researcher aimed to gain different views on the conflicts and continuity of family business from outsiders who were close to and engaged in the business.

In conclusion, in order to acquire the rich data required for conducting this research, the researcher interviewed different key people in each family business. Therefore, the interviews were conducted with first generation, second generation and third generation family members involved in the business, non-active family members and non-family members active in the business. The following section explains the participants' roles, experience and backgrounds in their family businesses.

4.3.2.1 First Generation

First generation senior family members are usually entrepreneurial people who found the business, support it and develop it over the time. These people are usually the head of the family and head of the business and have the most important effect on the family business's continuity (Carlock and Ward, 2001). The researcher interviewed two founders of the business as the most powerful and experienced people in their family and their firms. Everyone in the family and in the business is in touch with him/her as the head of the family and business. His/her plan and actions are very important to the succession of the family business.

i) *Founder and CEO of Company B;*

The founder of company B is a 69-year-old man who is the head of family and the head of business. He started the business singlehandedly in 1973 in the south east of Iran and expanded his business step by step by operating in different fields. He has always been a very hard working person.

He started with the business of selling home appliances. Then he acquired a dealership for selling lubricants from major domestic lubricant manufacturers such as Behran Oil Co. (Esso), Pars Oil Company (Shell) and Iran's national oil manufacturer. At the same time he was working as an official dealer in automobile brands, for instance, Datsun, Nissan, Pars Khodro and Mazda and dealing in automobile parts as well as cooling and warming systems and other products that were needed at the time.

In 1994 he opened his own lubricant manufacturing company specialising in producing and packing different kinds of engine oil, diesel oil and industrial oil. The company was the first private lubricant company to be set up after the Iranian revolution. The company grew gradually and expanded its market outside the region. In 2003, after the massive earthquake in the country's south east, he had to move his business to Tehran as there was nothing much left after the earthquake. In Tehran he opened two other manufacturing plants and continued his business from there.

He opened another company specialising in double glazed door and windows using special technology of electronic blinds in the middle of the glasses imported from SPAIN. He assigned his older son to run this company.

After a while he started another factory specialising in packing tea. The aim was to import tea in bulk and package it locally. That factory is also operating under his older son's management.

He expanded and diversified his business into the agrochemical business by purchasing one of the oldest manufacturers in the Middle East. He assigned his other son to run this company.

ii) *Founder and CEO 2;*

The founder started the business in the 1980s. He started in the aluminium service sector, coating aluminium profiles. Then the founder sold 34% of the shares in the company to his father, making his father his shareholder. When his father passed away his shares were divided between the children.

The founder wanted to keep the family business and expand it. Therefore he sold some of his shares to other family members in order to motivate them to join the expanding business. The idea was successful and most of the family members joined the business. The founder, his sister and three other brothers are all involved in the business in different departments.

The founder prefers not to diversify into different businesses as they are specialists in the current one. Furthermore, they know the market and are well known in their field.

The founder is the most powerful person in decision making for the business and for the family. However, at the time of the interview he stated that he now leaves some of the decisions to other family members and they make these decisions based on everyone's participation as they have found this a better way of continuing the business.

iii) Founder and CEO 3:

The founder was working as a sales manager, specialising in selling chocolate in the market. After 15 years of experience as a sales manager, the founder established his own chocolate manufacturing company in 2006. He then sold half of the company's shares to his elder brother. However his brother is not working within the company and merely receives the company's operation reports.

The founder has two sons that are studying at high school and have not yet joined the business. Although the founder is not sure about the economic situation in the future, he is encouraging his sons to join his business.

4.3.2.2 Second Generation

Second generation family members (usually distant family members) usually join the business when the founder is middle aged. These people are successors of the family business, the people who will run the business after the founder (First generation) if the family business transition process proves successful. These people were interviewed as being actively involved in the business and potentially taking over the business in the future. Their collaboration with the founder could make the business successful into the next generation or generations (Ward, 2004).

The researcher selected and interviewed both involved and non-involved second generation family members but he focused on interviewing the involved members. These are the second most important participants after the founder generation for this research. A short introduction of each of the second generation family member interviewees is given below.

i) *CEO, Second Generation Family member, Company A:*

At the time of interview he was the CEO and an older second generation family member of a giant family business. The business has potential to survive into the third generation. His father started the food and fruit business in 1948 in the south east of Iran and was exporting products to the Persian Gulf countries. He joined the business in 1971, a few years after his elder brother joined the business, as the business was growing. The father gave 35% of business share to his older brother and 30% to him so this was how the ownership of the business was divided. After the death of the founder, his shares were inherited by his children.

They were successful in expanding their business into different branches, and different industries, including dairy, fresh fruit, fresh dates, supermarkets, and dried fruit.

ii) *MD, Involved second generation family member, Company B 1:*

He is the first son of the family and joined the business when he was 18 years old, with the aim of helping his father. He learnt the business from his father.

The business turned into family business when he joined and he has been an active participant in his father's company. He joined the business after finishing his studies as a mechanical engineer at the age of 23. Currently, he is running two separate manufacturing companies in the food and in the construction industry.

iii) *MD, Involved second generation family member, Company B 2:*

This person was interviewed as a second generation family member who has been actively involved in the family business for more than 10 years. He is the other son of the family and actively joined the business as the business manager at the age of 24, after finishing his studies. He joined the business at his father's request as the business was growing. He started in the business as an inventory data enterer. Then he became the sales specialist and after a few years, at the age of 28, he was assigned to the post of sales manager by his father. He continued his studies as well as working with the family business. Currently he is running another subsidiary company as the business has diversified into different businesses.

iv) CEO, Second Generation Family member, Company C

The researcher interviewed the CEO of company C as a second generation family member who had been involved in the business for many years. He was the only son of the family but he did not want to join the family business as he was doing very well in his studies at university. He finished his studies as a mechanical engineer and joined some famous companies that needed his skills.

He had to leave his dream job to continue the father's business as his father was ill. Therefore, he joined the father's business and worked with his father on selling and exporting fresh dates.

He became the head of the family and the business after the death of his father. He managed to diversify the business into different industries including manufacturing fresh date cartons, selling fresh dates to domestic and international markets, and operating in the construction business.

He appointed his older son managing director of the fresh date packaging manufacturing company and assigned his other son to the businesses of selling paper and construction.

This interviewee was an experienced person who could potentially manage the family business into the third generation; therefore, his thoughts and continuity plans were important for this research.

v*) MD, Involved second generation family member, Company D*

This family member was interviewed as a second generation family member. The business was founded by his father and he joined the business after his sister as the business was growing and needed him. Furthermore, he was enthusiastic to work with his father as he was highly respected in the family.

He graduated in industrial engineering and joined the business after finishing his studies in 2007. He says that his relevant studies and his experience working with his father helped him in the business. He is very active in the business and runs the purchase department of the family business. They are very well known chocolate manufacturers.

vi) MD, Involved second generation family member, Company E

This second generation family member joined the business after finishing his studies in the USA. He joined the business as the business was growing and he also respected his father and wanted to support him. As with most of the family businesses, his father was the one who started the business. After he and his brother joined, the business turned into a family business in 1971.

Currently he and one of his brothers are working in two sister companies, operating in the same industry of cutting in plate and forming it into various types of containers for tea, engine oil, food, aerosol sprays and for many different industries. Interviewing him was important as he is an experienced second generation family member.

vii) MD, Involved second generation family member, Company F

This family member was born in 1983 and joined the father's business in 2001 after finishing his mechanical engineering studies in Switzerland. He joined the business as his father had a heart attack and he wanted to support his father's business. His father was the founder of the business as one of the pioneers in the packing and carton industry in Iran. His father and his elder brother were running 5 companies at the time.

At the age of 18 he requested to join the family business. As a young boy at the age of 18 he was full of enthusiasm and energy to start a job. When he started the job he assumed that his father would give him a high ranking position in the family business but it was not like that. He started as a worker in the factory as his father asked and after 18 months he was promoted by his father. After 18 months of slow promotion, he reached the head of workers position in his father's factory. After a while his father appointed him plant manager. He was gradually promoted after that. Currently, he and his brother are running the family business companies.

viii) Manager, Involved second generation family member, Company G 1:

This person was interviewed as a second generation family member who was experienced in their business. In the family business her older brother was the major shareholder, owning 66%, and her father owned the other 34%. She joined the business after the death of her father. Her father left her and her other brothers the shares in the company.

The older brother, as the main shareholder, sold her and his other brothers some of his shares in instalments in order to motivate them to join the business. Currently, the founder and older brother is CEO and she and her other brothers are working in different departments of the same company.

iv) Manager, Involved second generation family member, Company G 2

This male family member was interviewed as a second generation family member who was actively involved in the business. His father left him some shares in the family business and also his brother sold him and other family members some of his shares in instalments to encourage them to join the family business. He joined the business after finishing his studies and is currently running the finance department.

4.3.2.3 Third generation

This research, in order to seek a successful continuity plan for family businesses, interviewed third generation family members whose businesses had already passed successfully from the first to the second generation and then on to the third generation. Their plans, experience and ideas for the future of their family business were therefore important to this research. The aim was to compare their experiences and plans they had made for the family business's continuity and also compare them with those of second or first generation businesses. One of them had been working for more than 10 years in the family business as a senior manager and then left the business and opened his own business. The other had not yet joined the business but his plan was to do so in the future, after gaining more experience.

i) MD, Involved third generation family member, Company A

This interviewee was a male third generation family member. He joined the business after finishing his studies in the UK in 1955.The business was founded by his grandfather and then transferred to his father and uncle. It has not been transferred to the third generation. This family member joined the business because it was growing fast and therefore needed family members to join. The business now is diversified into different businesses.

He was running the purchase department in one of the family's businesses where his English skills were needed most. Now he is running a company specialising in supplying raw materials for the family business.

ii) MD, Involved third generation family member, Company C 1

He is a 29-year-old third generation member of the family business. The business was started by his grandfather and passed to his father. He joined the business after finishing his studies as a business manager. He gained experience in the family business by working with his father as the oldest son and was actively operating within the business.

His father appointed him as Managing Director and remained as CEO. Therefore he is the person who is currently running the business.

iii) MD, Involved third generation family member, Company C 2

He is a 26-year-old third generation family member and is the other son of the family. He joined the business after finishing his studies in civil engineering. His father assigned him to work in their construction business, which was a diversification from the original family business. He started work in the business as it interested him and he was looking to start his career. He has been working under his father's supervision.

4.3.2.4 Non-active family member

There are some family members who are not active in the business even though they have the opportunity and right to join the business. Their impressions and willingness to join or their hesitation over joining were concerns of the researcher in this research. Consequently three non-active family members were interviewed from different family businesses.

i) Non-involved second generation family owner Company B;

He is a 33-year-old second generation family member who has not actively joined the family business. He finished his studies in the UK in finance and looked for a Job in the UAE. His views were of interest to the researcher because he has not been interested in working with the family business in Iran although his father and other family members have already asked him to join.

ii) Non-involved third generation family member, Company A:

He is a non-involved-third generation family member who has not joined the family business and was working in another company at the time of this interview. The family have a big family business operating in different fields. Although he respects his family business and the other family members he prefers not to join the family business. Therefore this person was interviewed to explore the reasons for his hesitation.

iii) Non-involved third generation family member, Company C:

This person is a 24-year-old third generation family member. He was studying at the time of the interview but at that time he was not intending to join the family business. His family's business is big enough for him to join but he prefers to focus on his academic career.

4.3.2.5 Active non-family member

In these family businesses there are senior managers who have no ownership relationship with the business but play key roles in the business. They are experienced in working with family members and therefore can observe and explain the success and weaknesses of the family businesses from the perspective of an outsider. On the basis that they could offer views on the operations of the business that were independent from the family view, two of these experienced people were selected to participate in this research.

i) Finance Manager 1;

This female non-owner manager was an experienced person who had worked for the business in its finance department more than 10 years. She started working with the founder as the head of the business shortly after his older son joined the business. The company was growing and the founder's other son joined the business. She had experience of working in the family business with second generation sons for many years.

ii) Finance manager 2:

The researcher interviewed another female manager working with the family business. She joined the family business in 2007 and had been working in the finance department since then. She had experience of working with the sons of the founder after they joined the business. As the business was growing the various departments grew as well and she was able to witness the family members working together.

4.4 Conceptual Model under Investigation of Data

This section aims to review the findings in order to show the process of data reduction and how the three main themes emerged. This research, as social science research, needs to focus its analysis on which explanations of human action are generated inductively during data collection and analysis in order to develop an understanding of the interpretations deployed by the actors who are being studied (see Denzin and Lincoln, 2000; Giddens, 1979; Shotter, 1975). Based on the data analysis procedure in Chapter 3, Thomas (2006) states that the inductive approach is a systematic procedure for analysing qualitative data in which the analysis is guided by specific evaluation objectives. It refers to detailed readings of the raw data, and this drives the identification of concepts, themes, or a model through interpretations made from the data by the researcher.

This research followed a systematic procedure adopted from Thomas' (2006) approach and the aim was to reduce the mass of raw data, through coding and categorising it, such that clear links between the research objectives and the findings could be derived, whilst ensuring that these links were both transparent and defendable. The first part of the analysis process was reading the interview transcripts from participants and making sense of them and coding them. The second part was finding the patterns, i.e. similarities and differences in participants' concerns; the third part created categories, and the fourth part let each theme emerge from the data. This systematic procedure will now be explained with data from the present examination. Table 4.2 shows some of the concerns related to the family businesses and non-family business overview which contributed to the first theme of this thesis, i.e. **Sustaining Governance**.

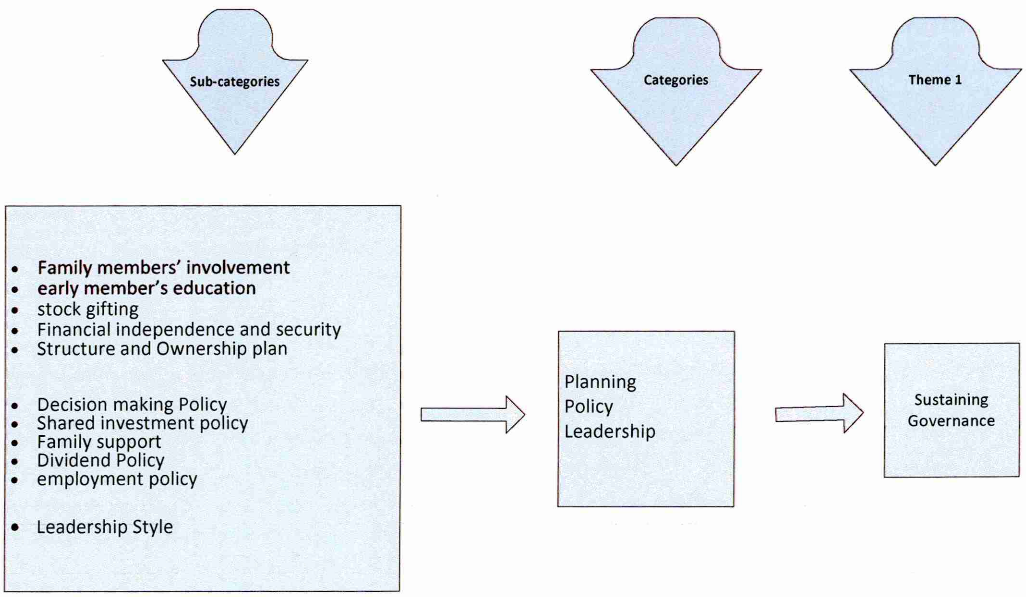
Table 4.2: Issues of Sustaining Governance

	Sustaining Governance
First Generation	• Every family has disagreements but should manage them • Tried stepping down but unsuccessful • No education plan • Unwritten involvement and employment plan • Sole decision making

Second Generation	• One working harder than other Family Members • Some Family Members not working but expect money • Resolve the issues • Unbalanced Family values and business values • No plan for transfer of the business • Attract family members and employment • Investment ideas and opportunities • No decision making policy • Opportunism • No answers to change or no plan • No investment opportunity • No autonomy
Third Generation	• Pay dividend to family members • Family members' priority on investment opportunities • Welcome non-family managers to work • More transparency • Everything is clear in the business • Family meetings and gatherings • Organise business meetings and listen to family members • Dividend payment plan • Clear involvement and employment policy • Family members are welcome
Non-Family Members	• No involvement policy • No decision making policy • Unclear sustainment plan • High tension in decision making • Founder resolves the issues by giving them money • Crisis if founder steps down • Problem of attracting family members to join the business • Problem of keeping them in the business

The participants mentioned that they did not have any clear policy or plan to guide them in the business and they emphasised that the unclear situation and unmanaged expectations created conflicts among family members. Therefore a category was created for the making of clear policies and plans as key elements for the justification of resolving issues among family businesses. These policies and plans act as the infrastructure for resolving issues and are very important to the success of family business continuity between generations. Within this category, subcategories named 'policy' and 'plan' were created. Then, within policy, the following subcategories were created: *'decision making policy',* *'retirement policy', 'dividend policy', ' family support policy', 'employment policy'*. Based on the participants' points of view, policy should cover a reliable plan for family and business. Therefore, within planning, the following subcategories were created: *'family members' involvement', 'early member education', 'stock gifting', 'financial independence and security',' family education plan' and 'structure and ownership plan'.* Figure 4.6 below shows the development of the data reduction process from subcategories to the emergence of Theme 1.

Figure 4.6: The Process of Data Reduction and Emerging Theme 1



Different generations of family members and non-family managers that participated in the interviews expressed that there is no clear and written policy or plan for the family business. Clearly they insist that lack of such a policy or plan for the family business increases the level of tension and creates more issues. The concerns were mostly related to the issues raised from sole decision making, unclear future for the business and business for all members, unclear financial security for the family, undefined answer to the investment opportunities and leadership.

Participants in family businesses shared their perspectives, concerns and interests on different issues. Table 4.3 below shows some of the main family members' perspectives that contributed to the second theme of this thesis, i.e. **Family Trust**. There were some concerns for family members in terms of trust and family issues. Table 4.3 shows the overall picture regarding some of these concerns.

Table 4.3: Issues of Family Trust

	Issue of Sustaining Trust
First Generation	• Communicate and trust better between family members compared to non-family members • Family members are more committed to the work • Family members are committed to the family as well • Hard to find right person or trustful manager • People are not committed enough to the business • Founder prefer family managers rather than non-family managers • Family members are trusted more than non-family members. • Founder tries to minimise issues among family members via meetings, giving opportunities, guidance or appeasement • Not being respectful to elderly family members causes conflicts.
Second Generation	• Family members are so committed to the family and work • Family members not working just for money • Family business honour and success is so important to family members • There are challenges between family members but they are committed to resolving them • Joining the family business is the priority of family members at the beginning of their careers • Trust is so important among family members
Third Generation	• Family gatherings are one of the best ways of reducing conflicts among family members • Family businesses should trust non-family managers on merit • Family members resolve issues through meetings

	• Elderly family members in the family business judge and make decisions on family members' conflicts and the rest respect and accept them • High level of Transparency exists among successful family businesses, which helps to resolve and prevent issues. • There is a high level of forgiveness among successful family members. • There is a high level of respect, especially for elderly members, among successful family businesses • Professional business board meetings are held by successful family businesses, with the presence of non-family managers and family members, in the strategic decision making process.

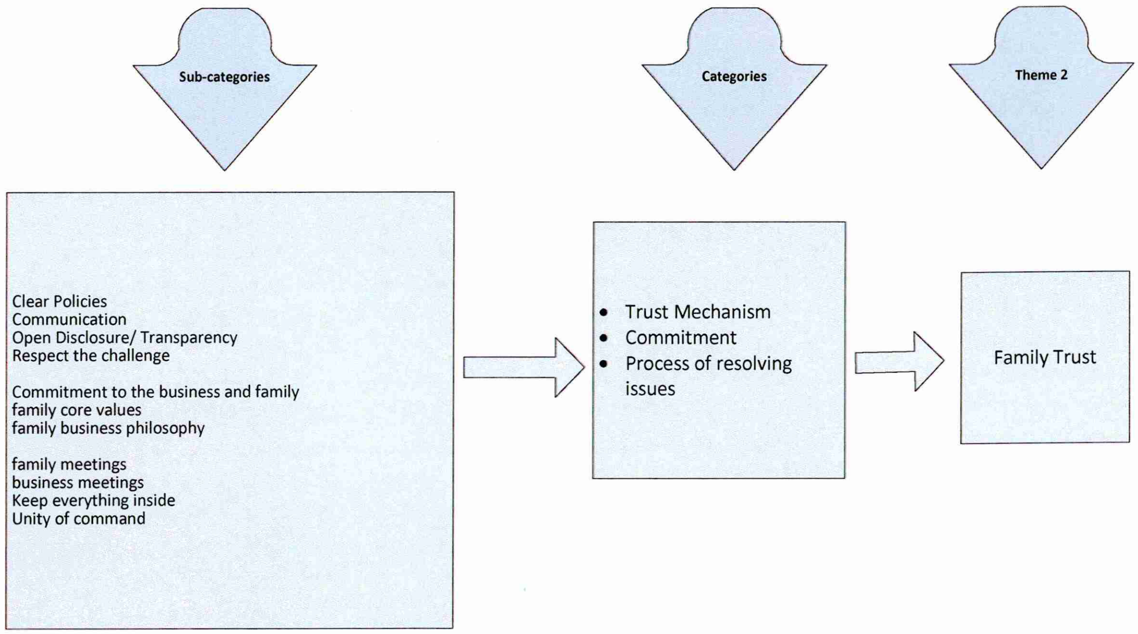
As the above table shows, some similar concerns emerged in terms of trust. For example, family businesses are keen on family members' involvement because they trust more in family members and there is a kind of feeling that family members are more committed to the family and business. So a category called '*commitment*' was created. This category has three sub-categories: '*commitment to the family and business*', '*family core values*' and '*family business philosophy*'.

Family members from all three generations mentioned the ways that family business generational issues could be better managed, with '*business meetings*', '*family meetings*', '*unity of command*', '*keep everything inside*', 'identified as approaches to resolving issues. Therefore, a category labelled '*process of resolving issues*' was created.

The data presented above all reflect concerns related to Trust; therefore, from analysis of the above-mentioned categories the second theme of this research emerged, i.e. ***'Family Trust'.*** Family trust will be discussed in detail in Chapter 6 of this thesis, in terms of analysing how each of the constituent categories and sub-categories are related to family trust in the context of this thesis. Therefore, the discussion in chapter 6 will focus on the participants' interests in resolving issues that affect the sustainability of the family business, based on the level of trust among family members.

Figure 4.7 below shows the development of data reduction from sub-categories to categories and from categories to the emergence of Theme 2.

Figure 4.7: The Process of Data Reduction and Emerging Theme 2



As a result of reviewing the data on the **'Family trust'** theme, it was seen that trusting relationships among family members assist continuity. In addition, trusting attitudes among family members enhance the members' knowledge and skills about the family and business. As the family members are trusted people it is easy for the senior owner managers to share the business, knowledge and resources with more junior members in order to prepare them to act in the business. Therefore, members can develop their business knowledge, supported by family values, family experience and family business resources, which in turn helps them to play an active role in sustaining the family business. On the other hand, family members also raised concerns about barriers to sustaining trust between family members, for instance, lack of communication, lack of transparency, and unclear policies.

The participants demonstrated in their replies to the following interview questions that resolving issues among family members is a vital need in sustainability of a family business: 'How does family members' involvement affect the business or family?' 'How did the family businesses manage family member's involvement into the business? What is the purpose of involvement? How does their involvement affect the business ____?' Joint resolution of issues also helps to increase the family members' involvement in the business and improves the overall performance and development of the family business.

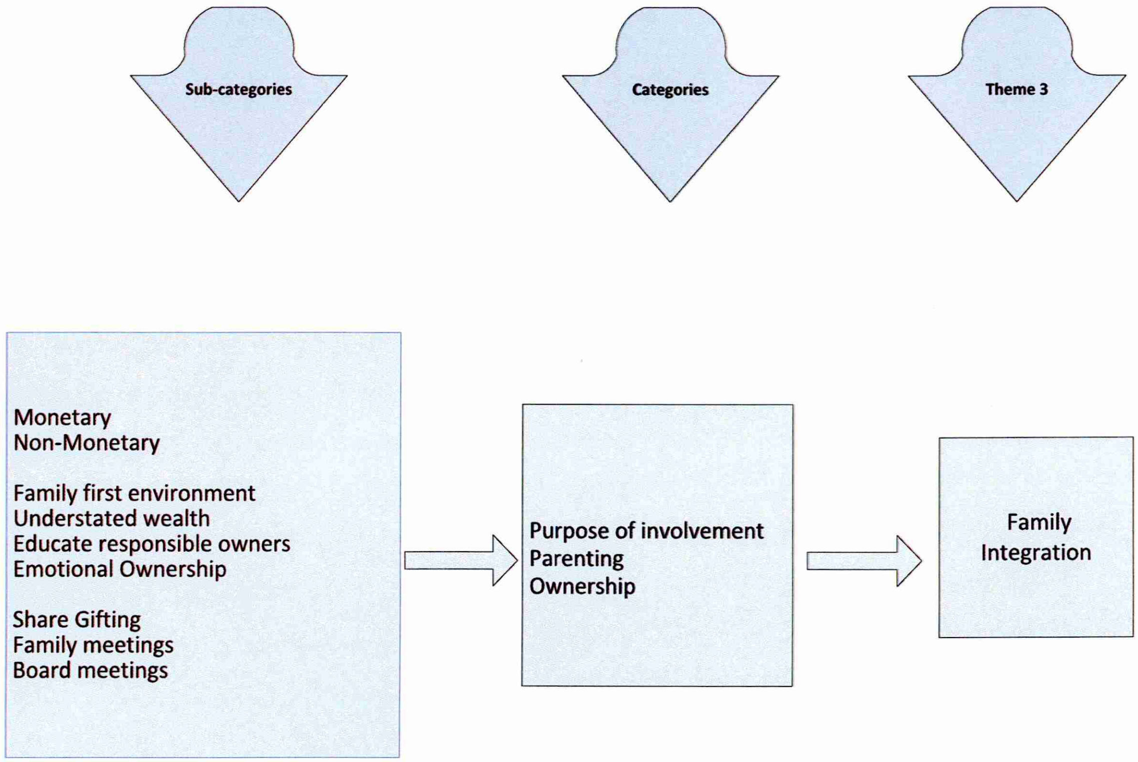
From the founder's point of view, involvement in the business brings advantages for family members, such as up-skilling family members in a cost effective manner, and also giving young family members the opportunity and resources to get started in a new business. Therefore, the greater the family's integration, the more experienced and prepared they become to run or take over the business and sustain it into the future in a competitive business market.

Regarding the integration of family members into the business, the researcher found that they often had different aims in becoming involved in the business, some of which were monetary while others were non-monetary. It was found that both monetary and non-monetary aims had the capacity to enhance integration of family members within the business. According to the participants, non-monetary objectives provide more commitment for family members to involve themselves in the business and seriously pursue its success. This enhances family integration and therefore the chances of success of the business into the next generation. The participants believe that integration helps to preserve the love between family members which is the key element in supporting family members in coping with their differences in ideas and opinions. Therefore a category called 'Purpose of involvement' was created with two sub categories of 'monetary' and ' non-monetary' motives.

Family members referred to the critical role of parents in integrating family members and encouraging them to be involved in the business. The participants further illustrated that parents in family businesses should prepare the family members for taking the business over and being strong and active members of the family business and society. The other important issue raised by participants was the role of parents in passing the family values on to family members and to the business, in terms of helping them to understand the meaning and value of wealth for the family. In conclusion, parents play an important role in creating emotional ownership among family members.

Emotional ownership represents the non-monetary motives that encourage family members to involve themselves in the family business. This results in greater integrity of the family, which will facilitate successful transition. This led to the creation of a data category called *'parenting',* with the subcategories of *'family first environment', 'understanding wealth', 'educate responsible owners' and 'Emotional Ownership'.*

Figure 4.8: The Process of Data Reduction and Emerging Theme 3



The participants talked about appropriate ownership structures for running the business as the family business evolves. It was suggested by the first, second and third generations that giving shares to the family members, increases family integration but affects the ownership. Ownership expectations need to be managed effectively in a successful family business (Jaffe and Lane, 2004; Carlock and Ward, 2010). Family meetings and board meetings have been suggested by the participants as important forms of managing owners' expectations and evolving an appropriate ownership structure. Therefore a category called 'ownership' with the subcategories of 'share gifting', 'family meetings' and 'board meetings' has been created. Figure 4.8 demonstrates the data reduction from sub-categories to categories and from categories to the creation of Theme 3.

The data presented above relate to concerns over integration and ownership, as a result of which the third emerging theme of this research, i.e. 'Family integration', was created. Family integration will be discussed in detail in Chapter 7 of this thesis, in relation to each of the categories and sub-categories.

Based on the three themes that emerged from the data, a model was derived which could provide useful direction to family businesses in attempting to sustain to the next generation. The next section will explain the continuity conceptual model.

This research explains the sustainability of a family business as a continuous evolutionary process that includes evolution of the family and business as family and business growth. According to Haag (2012), succession is not just about handing the business over from one generation to the next; instead, the business evolves as family members are socialised, engaged and trained through the daily activities of the family business. She suggests the idea of succession as a purpose in itself and a shift from "*taking over*" to "*being part*". Furthermore, according to Carr and Bateman (2010), integration of family members increases their involvement and performance. Meanwhile, Carlock and Ward (2010) indicated that family participation and commitment can lead to successful transition. Therefore the presented conceptual model (Figure 4.10) is based on a continuous process that requires participative commitment in a neuron system that connects all aspects of the process.

The model includes 'Sustaining Governance', 'Family Trust', and 'Family Integration' as three themes derived in this research. In this model, involvement of family members is very important, as discussed before. The members' involvement forms the family business in the first place and their active involvement and participation, supports the firm's evolution in a continuous process and therefore will result in supporting the sustainability family business.

i) Sustaining governance

The starting point of this process, after involvement, is sustaining governance. Family businesses need to manage the conflicts and expectations of family members and make plans and create policies that will support family members and the business. Sustaining governance includes plans, policies and leadership styles that shape the governance structure of a family business. Creating and sustaining governance and evolution of governance through generations needs support from family members. Family business governance structure is formed and developed through time by active participation of family members. This is the first main component of the continuity model (See figure 4.10). The details of this theme will be discussed in chapter 5 of this research.

ii) Family Trust

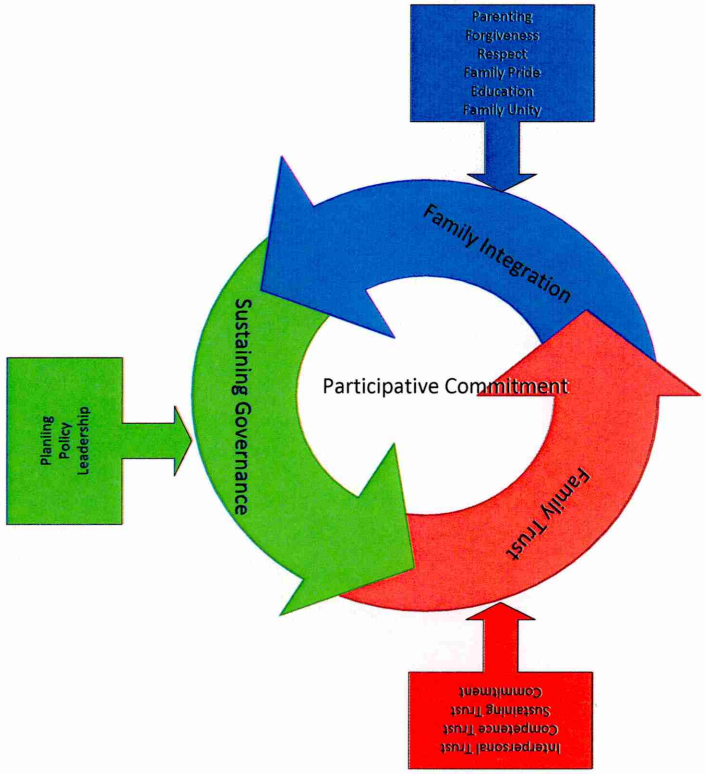
The second component of the continuity model (Figure 4.10) is 'Family Trust'. Having a high level of trust among family members is a competitive advantage in family businesses. According to the data of this research, successful family businesses need to protect and preserve trust among their members if they aim for continuity of their family business. At the same time, having a high level of trust among family members reduces agency costs to the family business (Sardenberg, 2013). Corporate governance began to gain importance because of emergence of three sets of problems: failures in relations between shareholders and corporations; the existence of boards of directors that were only collegiate pro forma and ineffective in monitoring the interests of owners; and performance of managers, whose interests often conflicted with those of shareholders, whether controlling or minority (Andrade & Rossetti, 2011). These problems eventually create opportunities for abuse of power, fraud and strategic mistakes. Although family businesses tend to rely on a high level of trust, which reduces agency conflicts, this level of trust starts to disintegrate as more family members become involved in the family business and the company becomes bigger (Sundaramurthy, 2008). Therefore, sustaining a high level of trust among family members from different generations is very important to managing the conflicts and ensuring the sustainability of the family business. Family trust is hence the second component of the continuity model and is highlighted in Red in Figure 4.10. The details of sustaining trust as an important element of sustainability of family businesses will be discussed in chapter 6 of this thesis.

iii) Family Integration

The third component of the continuity model based on the findings of this research is 'Family Integration'. Involvement of new family members affects the ownership configuration, whilst the purpose of their involvement has an effect on sustainability of the family business. The more the family is integrated the more the members will support the family business and the more they will get involved based on non-financial motives, which is very important for the sustainability of family businesses. *'Family integration'* supports the involvement of family members in the business based on non-monetary (Financial) motives. The research found that family members with non-monetary motives for involvement in the business participate more actively to support the business. Family integration is shown in green in the continuity model. The details of family integration will be discussed in chapter 7.

Participative commitment is used as a key element in connecting the main themes of this research. The connections between participative commitment and the three themes presented in this research are presented in figure 4.9. The model indicates the three themes (Sustaining governance, family trust, and family integration) and the components of each theme, with participative commitment as the core element in the centre of the circle, connected with the three themes (see figure 4.9).

Figure 4.9: Circular conceptual model of family businesses continuity



Explaining the connections between the participative commitment and the remaining segments of the conceptual model seems important to understanding of the model. Therefore the next part will explain how the conceptual model and participative commitment link together.

iv) Participative Commitment

This research came to the understanding that succession is a continuous process that starts in childhood for the new generation. Family business succession is not just about handing the business over from one generation to the next but it includes an evolution process as family members are engaged and trained through the daily activities of the family business. Engaging in the **family business is part of the new generation's development. I**t is fundamentally different from joining the business, because during engagement transfer of leadership and/or ownership is needed. Therefore, participation and **engagement imply a shift from** "*taking over*" **to** "*being part*" **(Haag, 2012).**

One of the main problems in transferring the family business to the next generation is that the process generally starts too late. Raising awareness about the need to prepare for the transfer in advance is the starting point for a successful transfer. Once entrepreneurs have been made aware about the necessity of preparation for transition, then they need information and support to prepare the transfer (Voithofer and Mandl, 2004). The potential successors also need information about the process. This type of support should consist of an overview of what steps need to be taken, what kind of specific advice is available and where to get it (Ward, 2004). Therefore the continuity process should be planned and started long before it is needed.

In a family business, the family is a source of employees, owners, managers and directors. In committed families, everyone contributes to the goal of success of the family business (Ward, 2004). The family's active participation is a powerful and constant influence in the continuity of family business, as discussed throughout this thesis. Therefore, family members should actively get involved into the business in order to engage more with the business and enhance participation

Family participation is a tangible indication of the family's commitment to the business. But it is also an important tool for maintaining Family Commitment. If everyone is positively involved with the business, the business has achieved Family Commitment. Ownership continuity and successful business performance both require Family Commitment over the long term. However, what often happens is that family members are either unwilling to participate in the family business or do not participate actively (Carlock and Ward, 2010). This has been the source of great worry for senior family members, especially in the second and third generations. This kind of active engagement in the family business and in planning for its success and continuity is the main part of the continuity process and is called *'Participation commitment'* in this thesis. Therefore this section explains participation commitment and the connection between participative commitment and the three themes derived in this thesis will be discussed in the next chapters. Participative commitment acts as a guide to connecting and understanding the findings of this research.

The derived themes in this research work continuously together in continuity planning to transfer the business to the next generation. Commitment, support, care from all generations in the family business are needed in order to develop the business through time. This process of continuous development and evolution is called a 'succession continuity family business plan'. Participation commitment is the element that provides the necessary continuous support for this process.

Participation applies equally to families and the businesses. For the business, the benefit of increasing participation is that empowerment creates opportunities for the next generation's contribution and fulfilment. Simply put, it keeps the talent at home. Opening up participation for family members helps strengthen commitment and reduces feelings of powerlessness. Encouraging family members' participation in the family business may ensure its very survival.

Family commitment means, firstly, that the family have an interest in maintaining ownership and, secondly, they are willing and able to accept the responsibilities of active ownership. The authors of a comprehensive study of commitment describe it as: Commitment presumes something beyond just passing loyalty to an organisation (Carlock and Ward, 2010). It involves active relationship with the organisation such that individuals are willing to give something of themselves in order to contribute to the organisation's interests. This definition suggests that a critical element of commitment is behaviour supportive of the business, not just passing loyalty.

According to Carlock and Ward (2001), commitment should reflect loyalty and pride, shared values and goals, positive personal experience and personal connection with the firm's future vision in order to meet both individual and family needs. Family Commitment is what makes a family business – a family business. Without the family's commitment, there can be no continuity.

This research has found that commitment and involvement in terms of family businesses mostly refers to commitment from the time when family members become involved in the business (Carlock and Ward, 2001). It does not include childhood preparation as a necessary element. According to the data of this research, the early stages of family childhood are more important. Family members develop a feeling of psychological ownership of the business. Growing up with a family business can create strong bonds that are difficult to break. Family members choosing not to commit to the family business may sense that they are losing their family connections (Carlock and Ward, 2001).

Participative commitment includes active involvement in the family or business system and shared decision-making. The first dimension of participation is getting more family members involved in contributing to the future of the family business. Family participation in any capacity increases the sense of ownership and helps individuals to learn more about how the family and business operate. The second dimension of participation is expanding the family's role in the decision-making process. This action involves sharing power and responsibility for making decisions on family, ownership, governance and business issues. Reviewing and proposing revisions to the Family Agreements would be an example of an activity where the family can share responsibility. While active involvement is the first step to family participation it is shared decision-making that creates the positive energy for the business family.

Participative commitment in terms of this thesis consists of involvement, contribution, understanding, engagement, responsibility, dedication and supportive behaviour. It suggests that loyalty, acting, commitment, learning and business education for all family are issues for the support of both the family and the business. It starts from childhood and evolves over time as family members and the business grow through the life cycle. It creates a family business identity for the members. Families need an advanced level of participative commitment in order to achieve continuity of the family business.

Participative commitment not only entails the characteristics discussed at the beginning of this section but also adds to these characteristics as it evolves to an advanced level required for family business continuity. This level of advancement is reached when participative commitment flows in the three circle conceptual model. The more advanced and integrated the participative commitment, the more successful the family business will be in terms of its sustainability.

As mentioned before, based on the findings of this research, achieving sustainability of a family business is a process that continuously evolves. Meanwhile, participative commitment also needs to evolve alongside the family business.

This participation may not be conscious at the early childhood stage, especially from the parents' view, as they may not be planning for preparing their children for business involvement. But according to the data of this research, the sooner parents start planning and preparing their children for being active in the family and business the stronger the process will be.

Participative commitment brings unity to the three circles: the more participative commitment, the more unified the family business. Therefore the family business will grow stronger and this will enhance future continuity.

In the presented conceptual model (figure 4.10) the researcher included the life cycles of family members and the ownership configuration (Figure 4.10) to explain the family business sustainability model in terms of a family business time line. This shows the ownership changes during the transition of the business to the next generation based on the family members' career time line. This time line also shows the ownership configuration and the family members' involvement and their role in the family business based on their age. The following paragraphs, indicates three different time line in the presented model 4.10.

i) Career and age time line

The time line at the bottom of the model is in two parts. The first part indicates children's preparation for the family business. In the second part of the time line the researcher added the age range overlap from the successor's career development time line, presented by Ward (1987), in order to illustrate the role and position of family members at different stages of the family business continuity model. This time line also indicates the new generation's age range and the preparation of family members in each relevant age range. Comparing this time line with the ownership configuration time line indicates the ages at which changes may happen during the transition of the business in the sustainability model. The age ranges overlap because the timing can vary based on the specific situation in each family. The ages suggested are intended to support the development of the model and are not intended as recommendations. Therefore this model contributes to Ward's (1987) successors' career development time line that was presented in the literature review (2.2.3) of this thesis.

ii) Ownership configuration time line

The new family business continuity conceptual model also presents ownership configuration changes, based on the family business life cycle, on a transition time line. The top time line indicates the ownership configuration of family businesses and changes occurring during the time. The top lines of the model illustrate the family business ownership configuration changes from the first to second and from the second to the third generation. As mentioned by Carlock and Ward (2010), ownership configurations of family firms change over time. This indicates that a family business forms once family members become involved in the business. In this stage the ownership configuration is entrepreneurship and the owner, the founder, is in charge of everything in the business and is head of the business and head of the family. After involvement for a certain period the founder is still leader of the business but this starts to change as the family members gain more experience and participate more in the business. Therefore the ownership configuration changes due to family members' involvement and participation in the family business activities. A change from owner-manager to sibling partnership occurs when family members become involved in the business and participate in business activities and business decisions. Sibling partnership usually occurs when the second generation become involved in the family business.

The second transition process starts with the birth of the third generation, and their preparation for involvement in the family business. This transition is shown by a loop back to the involvement process in the model. Cousin collaboration happens when the third generation become involved and participate in business activities and business decisions. According to Jaffe and Lane (2004), the ownership configuration that follows cousin collaboration, which happens once the fourth generation are involved, is called Family Dynasty. As it makes the ownership configuration timeline look over complicated, the Dynasty stage is not shown in the sustainability model.

iii) Children's Preparation

According to the findings of this research, preparation of family members should start from childhood. This will create an identity among family members, via learning family values, family norms, beliefs, being responsible to the family, playing a family role, being committed to the family and supportive of other family members. This stage of creating an identity for the members through learning and passing on values is referred to in the continuity model as 'early childhood education'. The children gain experience in the business and are mentored by senior family members. Then they engage in a meaningful career and have their own social and business identities (Carlock and Ward, 2010). Children's preparation contributes to participative commitment, which is a key element in the sustainability model and therefore also supports the transition process.

Family participation is a result of family members' preparation. Parents in a family business play an important role in preparing their children to be responsible owners. Family member preparation starts from childhood and advances throughout the life cycles of the family members and the business. To prevent the older and younger groups from splitting apart, the new family members must be encouraged to learn about the family business, explore their possible involvement and consider the contribution they can make to the family's and the business's future success (Carlock and Ward, 2001).

The family business sustainability conceptual model, including the age and ownership configuration bar and age range timeline, is presented in figure 4.10. This model contributes to the lifecycle model of Churchill and Hatten (1997) presented in the literature review (2.2.1) and also contributes to the ownership configuration model of Carlock and Ward (2001) presented in the literature review, chapter II (2.2.2).

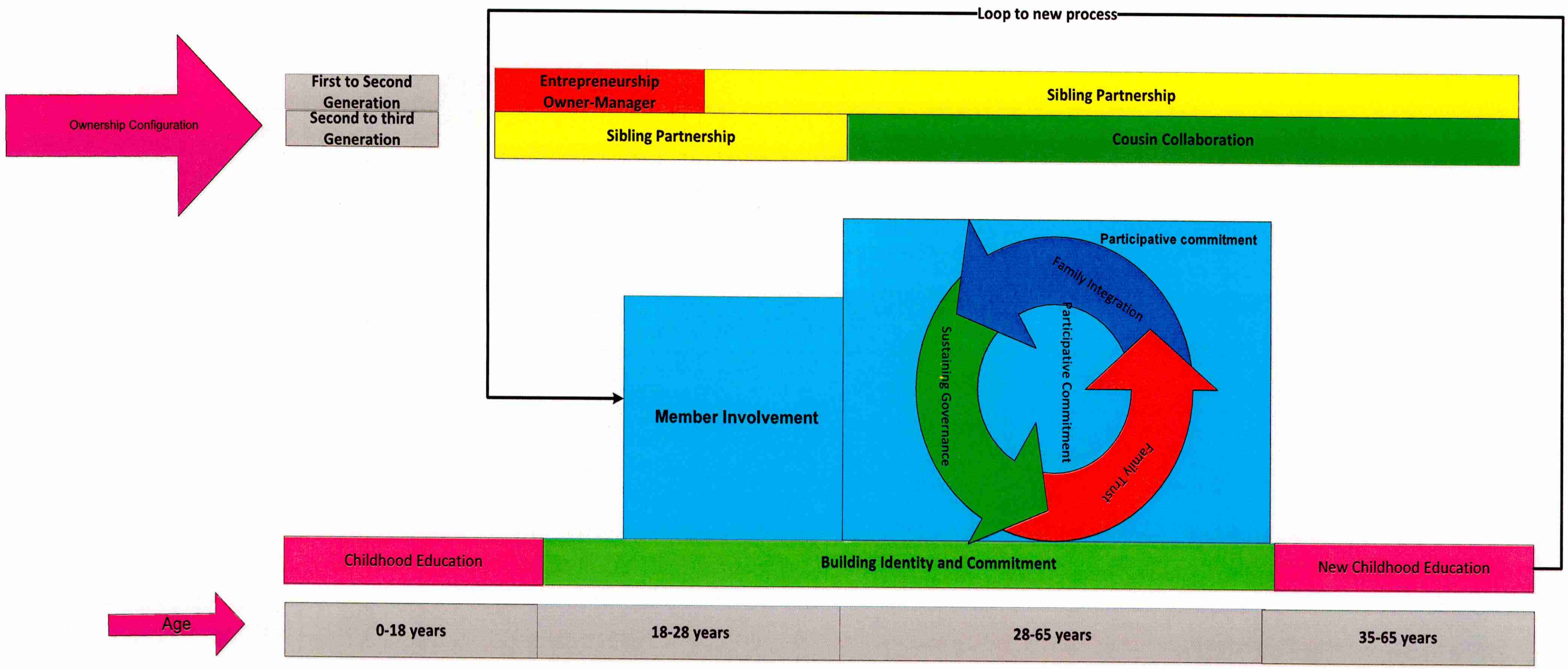


Figure 4.10: Family Firm Continuity conceptual model including life cycle and ownership configuration

4.5 Summary

The chapter explained the process of analysing data using Nvivo software in order to develop the themes. The chapter also explained the characteristics of the participating family businesses, the backgrounds of the selected businesses and of the interviewees. The researcher's innovative intellectual understanding of the data ultimately led to the development of two conceptual models of family business sustainability, based on the emergence of the three main themes of this research: 'Sustaining Governance, 'Family Trust' and ' Family Integration'.

The first theme, 'sustaining governance', emerged from the participants' concern over the lack of clear rules, responsibilities and rewards among family members involved in the business and running the business. The data revealed that lack of such a control system among family members creates conflicts which harm family trust, family relationships, and business performance. This led to the emergence of theme 1. All the themes and their categories and sub-categories will be discussed in detail in chapter 5.

The second theme to emerge from the data was 'family trust'. This theme mainly focuses on the high level of trust needed among family members to support their involvement in and support for the family and business. The data also revealed that conflicts challenge and damage the level of trust among family members, which endangers the involvement, commitment and participation of family members. The data also suggest how it is possible to create long term trust in order to support the sustainability of the family business. The discussion on creating long term trust will be expanded in chapter 6.

The third theme to emerge from analysis of the data was 'family integration'. The data revealed that family members join the business based on different purposes. The purposes of involvement were categorised into monetary and non-monetary objectives. Furthermore, the data revealed that family members with non-monetary purposes of involvement tend to be more supportive of the business and therefore its continuity. This theme also includes evolving the family business through socialising, engaging and training family members in the daily activities of the family business. Parents should prepare their children to play an active role in the business and family. The details of how family integration supports family business continuity will be discussed in chapter 7.

According to the data, sustainability of a family business is a continuous evolutionary process. This continuity process includes evolution of family and business as family and business growth. Sustainability of family businesses is about handing the business over from one generation to the next. The process needs to evolve continuously and requires the family members' support and participation at every stage. Therefore, 'participative commitment' was presented as the key link between the other three concepts. The relation between each theme and participative commitment will be explained in more detail in each chapter in order to expand understanding of the conceptual model.

This chapter presented the first conceptual model of sustainability of family business (4.9), which demonstrates how the three themes work in a continuous process as the findings of this research. The role of participative commitment as an essential element of the sustainability process is also shown in the model.

The chapter also presented the second conceptual sustainability model (4.10). The author added an ownership configuration bar and an age range timeline to model 4.9 in order to show how the process evolves through the life cycles of family members. The Ownership Configuration bar shows the ownership changes that occur along the time line. The new model also includes a child preparation bar which traces the development of participative commitment. The new process of sustainability is looped back to involvement to show the start of a new process.

This thesis will continue by explaining sustaining governance in detail in the next chapter, followed by discussion of family trust in chapter 6 and family integration in chapter 7. This thesis will be summarised in chapter 8 and my personal reflection will be presented in 8.5.

Chapter 5: Sustaining Governance

5.1 Introduction

The previous chapter reviewed the data of this thesis, as a result of which Sustaining Governance emerged as one of the main themes. The chapter also presented a conceptual sustainability family business model (See Chapter 4, Figure 4.10).

This chapter expands Theme 1, i.e. Sustaining Governance, and discusses the implications in the context of this thesis, and for practice and theory. It looks at three main sub-themes that emerged from the data: plans, policies and leadership. This chapter aims to show how sustaining governance, as a part of a family business continuity model, can resolve the issues and support the sustainability of family business to the next generation. Therefore, this chapter conducts a structured discussion of the categories and sub-categories relevant to this theme (set out in figure 4.6 in chapter 4). The discussion shows how each category and sub-category contributes to shaping a legal and formal structure in the family business, and therefore also contributes to answering the research questions.

Sustaining governance includes plans, policies and leadership styles that shape the governance structure of a family business. Family businesses need to make plans and create policies for managing the conflicts and expectations of family members, in order to resolve issues between family members and support the family business.

Creating governance and evolution of governance through generations depends on support of family members, in the form of their active participation in creating and developing the governance structure of the family business as it grows. Therefore, family business governance structure is formed and developed through time by active participation of family members. This is the first major part of the continuity model (See figure 4.10). The details of this theme will be discussed in this chapter.

Agency costs are inevitable in the structure of organisations as they are often seen as a means to avoid and/or control *opportunistic* behaviour by the executives (Shapiro, 2005). Furthermore, Jensen and Meckling (1976) propose a form of considering a contract between two parties to impose penalties as deviations occur. Young, Peng, Ahlstrom, Bruton and Jiang (2008), agree that governance mechanisms minimise agency conflict between owners and managers.

The term "governance" derives from corporate governance. However, studies on corporate governance propose various definitions of this term. According to Huse and Landstrom (2002), this depends on the discipline in which it is actually applied. Andrade and Rossetti (2011) state that the need for corporate governance arose from an absence of effective relations between shareholders and company managers or boards of directors, mostly based on conflicts of interest between the managers and owners of the business, and directors' failure to control business performance according to shareholders' interests. Such problems could result in abuse of power or strategic mistakes. Therefore, corporate governance can be defined as a set of arrangements and procedures that give the shareholders controlling power over their investments by monitoring the performance of the company executives.

Family businesses are usually categorised as tightly knit companies with joint ownership and management control where the owner is usually the key manager. As a matter of fact, family owners usually delegate to the directors the right to control the company's direction and its performance. The main issue in this case would be if the directors' purpose were to take possession of the company resources for their own benefit at the expense of shareholders' interests. Such deviation of interest between owners and managers is usually described as *agency conflict*, which could have serious implications in the case of family-owned companies (Sardenburg, 2013).

Unbalanced expectations and interests among family members create conflicts which can put family businesses in danger. Although, conflict is a natural component of human relationships, in some families, conflict constantly happens. Working together in the same atmosphere can strengthen family interactions and empower the business on the one hand and can worsen family problems such as sibling rivalry or competition between the generations on the other hand (Carlock and Ward, 2010). Jaffe and Lane (2004) stress that unsettled conflicts in family business can damage the family business. Accordingly, owners of family businesses must develop clear policies and plans to manage the expectations and interrelationships of people, business, and investments, which legalise and combine the interests and concerns of all family members. The establishment of formal structures and processes to organise these relationships is known as governance (Jaffe and Lane, 2004). In the process of pursuing continuity of a family business, clear governance is necessary in order to manage family members' differing expectations and the resulting conflicts.

This research identified that the family businesses who participated in this study had no clear governance structure to manage young family members' expectations and thereby reduce conflict. First generation, second and third generation family members who were interviewed all indicated that they face conflicts. The following quotes indicate the lack of a clear governance structure to manage disagreements among family members in the participating businesses.

> *"There was no specific structure at the beginning. We wanted to create a structure in the future…"*
>
> CEO, Involved first generation founder, Company B
>
> *"There was no specific structure or governance. We joined the business as the business was growing and we had enthusiasm as family members to follow our father's business."*
>
> MD, Involved second generation family member, Company E
>
> *"There is no specific documented written structure for family business involvement"*

MD, Involved second generation family owner, Company G

"There were no written rules for us to read and then accept and then enter into the business, like terms and conditions"

MD, Involved third generation family owner, Company C

The findings of the research indicate that disagreements between family members were not resolved permanently but instead were postponed to another time, as one of the participants indicated:

"The problems still stand and the family members are still challenging and might not have found a way of resolving it yet, but they are not critical yet. They just forgive and ignore it for now, waiting to find a better situation to resolve tit. This better time might never come to resolve the issues for the young generations. The founder might not be among the young generations in the future, if so, these unresolved issues could seriously crack the business. "

MD, Involved first generation founder, Company B

The resistance between loved ones and business interests is what makes family businesses unique. Family businesses should consistently balance family demands with the requirements of the business in order to sustain through the generations. According to Carlock and Ward (2010), to achieve this balance a clear framework seems necessary as an element of success. Therefore, family businesses need to generate plans and policies as part of the governance structure to manage the issues.

"There is no specific structure but it would be better if there were such a structure as I do believe the guidance would be better."

MD, Involved first generation founder, Company B

Consequently this thesis identified that a formal control system comprising a framework structure for both family and business, to balance expectations among family members, is an essential requirement for family business continuity. This form of control system can be set up by adopting relevant plans and policies, termed as "Sustaining Governance" in this thesis. The three categories identified by the author for sustaining governance, namely plans, policies and leadership, will now be explained and discussed in separate sections.

5.2 Family Business Planning

As mentioned before, planning is an important component of a formal control system so it is significantly important to understand planning in terms of Sustaining Governance in pursuing succession of family businesses. For this reason, this section will explain the importance of planning.

Planning has been identified as the most important element of sustaining governance as a formal control system. Accordingly it is important to understand planning in terms of Sustaining Governance in pursuing succession of family businesses. It is argued by Carlock and Ward (2010) that although planning in a family business is more complex than planning in other businesses, successful family businesses take on this challenge willingly as it is vital to their continuity. Such planning should focus on resolving family, business and ownership conflicts. Therefore, this section will explain the importance of planning.

This thesis identified certain concerns in relation to successful planning. Family members, especially second generation members, were not clear about what plans they should follow in the family or in the business; they were even unaware if there were any such plans, although the founding generation and senior generation may have had some plans in their minds. Carlock and Ward (2010) support this finding and illustrate that all businesses benefit from having strategic plans charting the direction of the business and the impact on family participation in the company. The following quotes indicate the importance of planning to family business governance.

> *" ...I would say that there is no structure for transition of the business in our family. However I think transiting a business from one generation to another generation has to be planned."*
>
> MD, Involved second generation family owner, Company B

> *"We have no education plan but I have helped them and guided them on running the business by monitoring their activities and controlling them."*
>
> CEO, Involved first generation family owner, Company B

> *"It was not planned and happened accidently but it helped us to cover the family business needs and reduces the conflicts."*
>
> MD, Involved first generation family owner, Company G

> *"...We have no written ownership plan yet but I do have a plan in my mind. It might be better if I expand the family business in different fields."*
>
> MD, Involved third generation family owner, Company C

> *"There is no education plan but I would say it might be better if I guide him to study business or business management to support family business... "*
>
> MD, Involved third generation family owner, Company C

As highlighted by Ward (2004) and Carlock and Ward (2010), such coherence could be created and managed through planning. It is accepted that no one can predict everything, and when something goes wrong, in successful family businesses there will be a group of people who will lead from strength, working well together, and sharing their energy and commitment to overcome disadvantages and difficulties (Carlock and Ward, 2010). Therefore, planning in family business needs family members' support and participation to develop and adjust plans to suit their family business.

> *"We face different issues but maybe less than others. We have managed the disagreements between us by participating and discussing in resolving the issues. For example, everything is clear between family members in the business."*
>
> *MD, Involved Third generation family owner, Company A*

> *"Participating in making the plans and supporting it by sharing different ideas caused successful results I would say. Maybe it is the thinking room or coalition thinking...."*
>
> *Non-Involved Third generation family member, Company A*

> *"Successful planning needs participation of different family members. If we can combine the experience of the previous generation with the new ideas of the new generation, it can be a key to success. One of the ideas that cannot succeed is that in general families reproach the young generation and do not count their ideas (The older person is the head of the family) so they lose their enthusiasm and do not want to participate in the business, follow the business or give new ideas after the older generation."*
>
> *MD, Involved second generation family owner, Company E*

The above quotes illustrate that the senior generation could have a plan in mind for transferring the business to the next generation but it is not written, complete or professional. It is mentioned in the above quotes that it is better that the younger generation are involved continuously in planning for the family business alongside the senior generation, as an important element of continuity among generations. Consequently, this thesis identified planning as one of the most important factors in Sustaining Governance. The author identified four categories under the heading of planning, which will now be explained and discussed in separate sections.

5.2.1 Family Involvement plan

This research revealed that second generation family members become involved in the business for a variety of reasons: Trust in family members, inheriting shares, motivation, stock gifting, job opportunity, father asking, business need, father figure, family reputation, commitment, and respect were among the reasons mentioned by different company members from different generations.

This research identified that senior family members in Iran have a strong interest in inviting young family members into the business as they feel more trust towards family members. Furthermore, the participants indicated that the business experienced more growth after the family members became involved. Ward (2004) expresses the importance of planning for family members to become involved in the family business as an important step toward continuity, and this is supported by the following quotes:

> *"...I started this business 30 years ago and asked my father to join me by purchasing my uncle's share. So I had a 66% share and my father had 34% of the Shares of the company. When he passed away his shares were inherited by his children..."*
>
> CEO, Involved First generation family owner, Company G

> *"I might say, there needed to be a trustworthy person in the sales department close to the owner and management as it was the heart of the company but the people there were never been told or maybe I was looking for a job and put myself forward. It did not make a big difference for me where I joined."*
>
> MD, Involved second generation family owner, Company B

"...no one could be more trustworthy than her to me so I left the financial department to her"

MD, Involved second generation family owner, Company F

"But as it is a family business everybody is working based on the trust and help and every family member tries to be supportive and act as one person but in different bodies. So there is no specific structure in our family business but it is better if there is such a structure as I do believe the guidance will be better."

MD, Involved second generation family owner, Company F

The first, second and third generations, but mainly the senior generation of the family business, all agree that having a focused plan, clear vision and framework for family involvement can support continuity of family businesses. This result relates to the Carlock and Ward (2010) finding that one of the most difficult questions facing a family business is how to attract the next generation into the business to become its future leaders. If the business is not attractive, the family members will not join the business and this will put the continuity of the family business in danger.

*"My children are not in Iran as they are living in the USA, the business is not good now but I don't think my children will continue my jo*b."

MD, Involved second generation family owner, Company E

"...There is a great worry about the new generation's involvement in the business."

Manager, Involved second generation family owner, Company G

"There is a great worry about their involvement in the business. But we do have a problem as not every family member is willing to join and continue the business."

Manager, Involved third generation family owner, Company A

The young generation join the business to start their careers. It is argued by Ward (2004) that the family is a source of employees, owners, managers and directors in a family business, and in committed families everyone contributes to the success of the business. Additionally, the family's active participation is a powerful and constant element of planning for success in family businesses. Therefore, there should be a plan for new members to join the business, be promoted within the business and participate in decisions of the business as the business needs them as reliable employees.

> *"...as the company was growing and as we had graduated and needed a job we joined the business and fitted in the business..."*
>
> MD, Involved second generation family owner, Company B

> *"Each young person needs a job after finishing his/her studies. If he/she wants a job that is based on his/her studies he/she might not join the family business if that is different. On the other hand, family members might join the family business even with non-related studies. "*
>
> MD, Involved second generation family owner, Company B

> *"There was no specific structure or governance. We joined the business as the business was growing and we had enthusiasm as family members to follow our father's business..."*
>
> MD, Involved second generation family owner, Company E

> *"At the time we did need him here so rented the other business to someone else and he joined us here."*
>
> MD, Involved second generation family owner, Company D

> *"I had to join my father's job because of his request and to keep his family name and credit, gains, properties..."*
>
> CEO, Involved second generation family owner, Company C

Consideration of the data illustrated that decisions on involvement in the family business could also be affected by the culture of the family. According to Karatas-Ozkan et al. (2011), the family culture often shapes members' decisions on involvement in the business. The researcher found that among some families interviewed there was a gender preference for male children to join the business, even though females have equal rights to join the business. The following quotes demonstrate the existence of such gender preferences.

> *"I believe one of the most important things in family business succession in Iran is the number of male children they have. I mean the family pride (fervour, zeal) remains stronger with male children as the female children will marry and this destroys some of the integration between family members. On the other hand, the father feels free with the sons compared to the girls or son in law in the business. If he does not have any sons he should close the business, although there have always been exceptions."*
>
> CEO, Involved second generation family member, Company C

> *"It is easier for male children to follow the family business, rather than girls, in Iran."*
>
> *Manager, Involved second generation family member (female), Company G*

According to participants, one of the most important ways to motivate family members to be involved in the business is to prepare the children for the business by giving them a positive perspective of the founder and the family business. Therefore they need to be educated and exposed to the business. This strategy will be discussed in the family preparation plan (5.2.2).

According to the participants, granting business stocks to new members is positive strategy which enables family members to feel a sense of ownership and that they are important to the business. Stock gifting plans will be discussed in detail in 5.2.3.

5.2.2 Family member preparation plan

Considering and comparing different family businesses' approaches to the education of members revealed that family businesses need a kind of continuous education plan for their family members in order to prepare them for the business. This section discusses suitable education plans for family businesses. Successors need a thorough training programme to acquire firm specific knowledge and to develop their capabilities (Morris et al., 1997). This research has categorised education planning that can contribute to the continuity of family businesses into four different stages that evolve based on the family members' life cycles.

i) Early Education

Family members mentioned that education of family members in the family business should start at an early age. Non-monetary motives for supporting the business should be implanted in the children's minds. Children learn by example, from basic lessons in honesty, responsibility, work ethic and integrity that are passed on by their parents. There is no reason for the parents' philosophy to change as they begin to prepare their children for entry into the family business. The morals of childhood should comfortably extend into the ethics of owning and managing a business (Ward, 2004). Successors receive guidance and education from mentors, which may begin informally around family dinners and gatherings (Dyer, 1986). Additionally, parents play an important role in implanting non-monetary motives in their children. The relationship of the parents as a couple (for example, the mother's support of the father or love between them) has a very positive impact on the children's development of emotional ownership feelings toward the business. Therefore, parents play the most important role in the early stages of their children's education by implanting non-monetary motives. Non-monetary motives will be discussed in detail in chapter 7 (7.3.2).

This research identified that early education is an important element in attracting family members and preparing them to be involved in the business. Participants in the first and second generations frequently reiterated that they been introduced to the family business at a young age at home. To achieve the goal of becoming a long-lasting, successful business, family businesses have to make the business attractive to the next-generation family members. Carlock and Ward (2010) emphasise that young family members who have had exposure to the business from an early age will be more interested in going into the family business. The following quotes illustrate the importance of children's education in the business from an early age.

> *"I learnt the business alphabet inside my family when I was young, not in classes..."*
>
> CEO, Involved second generation family member, Company C

> *"We grew familiar with the business alphabet at home when business topics were discussed there."*
>
> MD, Involved second generation family member, Company B

> *"I learnt the business in the home from my father when my father was telling us what he did right or wrong; so we did learn from him sharing his experience. For example, he wanted to pay off the factory loans so as child I learnt that a loan is not a good thing."*
>
> MD, Involved second generation family member, Company D

> *"I was born in a family in which the general atmosphere in the house was about the business. Since I could remember purchasing, sales, trade, business and everything about economy that was discussed in the house I became familiar with the terms from an early age."*
>
> CEO, Involved second generation family member, Company C

Family members mentioned that they were exposed to the business from when they were very young. They emphasised that they learned the business alphabet at home from their parents, as the business was the centre of the parents' universe. Hence they easily learned such terms as production, business, trade, work force, responsibility and hard work. Additionally, their parents exposed them to the business itself and familiarised them with the business.

The senior generation that participated in this research revealed that preparing children to join the family business should start from a young age. It should continue indirectly through exposing the children to the business and through mentoring of family members. This process enables the children to gain a clear understanding about their family business and its reputation.

Carlock and Ward (2010) claimed that if senior family members want the younger generation to be proud and interested owners of their heritage they need to instil pride in the business in them. This can be done by giving the young generation a taste of the business in thoughtful, positive, and enjoyable ways, a process that can begin when they are under 10 and carry on with age-appropriate activities as the children grow (Nordqvist, 2012). Once young family members have been thus familiarised and educated in the ways of the business, they are equipped to become involved in the family business if they so decide. The following quotes indicate the importance of senior managers educating and preparing young family members to be involved in the business in order to support the process of transition to the next generation.

> *"...when we were kids, my father took us with him to his shop and factory and we grew familiar with stuff there, especially in the summer time..."*
>
> MD, Involved second generation family member, Company B

> *"I did learn in the home from my father telling us what he had done right or wrong so we did learn from him sharing his experience."*
>
> CEO, Involved second generation founder, Company C

> *"I tell my children, 'you are free to choose any job you like but remember, If you want to start a new business you will have to start from zero'."*
>
> CEO, Involved second generation founder, Company C

> *"I do teach them item by item and issue by issue. If they listen to me they will not regret and have not regretted so far by listening to me, unless one of them has not listened to my ideas and comments and just acted on his own."*
>
> CEO, Involved first generation founder, Company B

"My father familiarised us with the factory environment, business environment and the workforce environment with the idea that you have to understand what is happening in such an environment."

MD, Involved second generation family member, Company F

ii) Mentoring

Family members mentioned that they learn the business components more fully after joining the business and by starting their career from the bottom. They usually undergo a training period in which they are mentored by a senior manager or someone trusted by the senior owner-manager when they start in the job. The most important long-term consideration for successors planning a family executive career is to focus on continuous learning and personal development (Carlock and Ward, 2010). Research on effective family business successors has found that almost all effective inheritors had started by being mentored (Stafford et al 2010). Therefore, the family members' capabilities are built up through their involvement in real business positions under the mentoring and education of elders.

"When I was at school, my father asked me and my brother to work with one of his friends during the summer and asked him to teach us; we found this out later on when my father's friend told us the truth."

MD, Involved second generation family member, Company D

"When we were in Tehran, my father sent my brother and I to the Bazaar to work for one of my father's friends on his staff."

MD, Involved second generation family member, Company B

The data revealed that the family members need to learn the skills of team working, problem solving and decision making. Successful families educate family members so that they can operate more effectively as a group, through mastering problem-solving and decision-making skills in order to enhance team working within the family. Consensus building is another important group skill. Even if a family is too large to make decisions by consensus, it should have family committees or a family council or a business board of directors that operates on a consensus model (Carlock and Ward, 2010; Le Breton-Miller et al., 2004). This enables the skills of working as a team to be developed during board meetings or family meetings by doing business together and making decisions together. The following quotes represent the importance of this form of education among successful family businesses.

> *"One of the main reasons for the success of our family business is the close family relationship that the brothers have. They support everybody and the family. And they start everything together so this brings more confidence for doing business."*

Non-Involved third generation family member, Company A

> *"Every family member has a vote in the business meetings. In family business council we sit together, speak, vote, and then everybody has to obey even though they might not be happy with the decision. It's not the father who makes the final decision but he is the founder of the business and the family head so his vote counts double compared to others and we all rely on him but the decision is made based on the votes of every family member in the business. "*

MD, Involved second generation family member, Company D

> *"We discuss and within the family council we make a decision. But it does not affect the family. "*

Non-Involved third generation family member, Company A

> *"...has a vote and in family business council we sit together, speak, take a vote, and then everybody has to obey, even though they might not agree...."*

MD, Involved second generation family member, Company F

> *"The members sit together and exchange ideas to find a solution. But I don't think it affects the family relationships."*

MD, Involved second generation family member, Company B

iii) Higher education

The data of this research suggested that University education builds up the members' self-confidence and identity as well. It is better if family members develop their personal capabilities and self-confidence by attending college or university courses as well as working with the business (Carlock and Ward, 2010; Massis et al., 2008). The family members build their relationships with others and build their outside resources while they are studying. Therefore, higher education should be part of the preparation plan to help build up family members' identity.

The participants revealed that it is more beneficial to the family business if family members' academic education relates to the family business. The participants also believed that it is valuable for family members to undertake their university studies while at the same time working in the business. The following quotes demonstrate the importance of these factors in the minds of participants, in terms of managing conflicts as well as improving members' capability of running the business.

> *"The other thing is education; my cousins were working with the family business during their studies with the university so they took the experience of family business and business with them"*
>
> Non- Involved second generation family member, Company A

> *"I do suggest family members join the business slowly and alongside their studies at university."*
>
> CEO, Involved first generation family member, Company A

> *"Furthermore, guide him indirectly on his choice of university course so when he graduates and is looking for a job he will find that his course was related to the family business."*

MD, Involved second generation family member, Company B

"So I did want my younger son to follow the business. So one of the other factors in sustaining the family business is that the head of business guides his children to select courses related to the business"

CEO, Involved second generation family member, Company C

iv) Gaining independence within the business

The next educational need that this research identified was that family members should reach a level of independence within the business. The senior managers who participated in this research also mentioned that opening different subsidiaries helps young family members to learn and experience the business on their own on one hand and to manage conflicts among members on the other. Family members should develop new territory, starting a new store or running a plant in order to gain some form of independence. Such projects can develop managerial talent and reduce potential rivalries by keeping family members apart (Westhead and Howorth, 2006), thereby not only improving young family members' capability to run the business but also helping to manage conflicts.

"...Family members should feel they are important... We have diversified the businesses into different industries and my brother, his sons and other young family members run individual sections."

CEO, Involved first generation family member, Company A

"...I have three sons and I would like them to work in one organisation but I think that they have different moral values and different attitudes so they cannot work together in one company so I put them in different businesses."

CEO, Involved second generation family member, Company C

"...my father assigned me to run a new business that had been taken over recently, on my own."

MD, Involved second generation family member, Company B

Therefore, continuity of family businesses not only requires involvement of family members but also that these family members are educated and prepared for the business over time. Family members should devise an effective training programme to bring the best out in the younger generation so that they can put their own mark of success on the family legacy (Carsrud and Brannback, 2012; Ward, 2011). Therefore, educating and supporting the preparation of young family members is an important factor in survival of Iranian family businesses to the next generation.

5.2.3 Stock gifting plan

This research indicates that founders and family managers should give stock to younger family members in order to motivate them to continue the family business. Gifting stock to family members helps to keep the family together. Furthermore, gifting shares as a means of sharing ownership with younger family members motivates them and makes them feel that they are the owners of the business and should contribute to the business's success. Indeed, Ward (2004) claims that senior family members should give away the stock they own in the family business to future generations as soon as possible. Meanwhile, Carlock and Ward (2010) claim that gifting shares to infants, or in trust for future-born children, is an important means of motivating family members to join the business and also of keeping the family together. This claim is supported by the following quotes.

> *"I wanted to make the company more credible in terms of sustaining it into the future by involving the family members. If they are not shareholders in the company, the company may not survive after me. But as they are shareholders they have to make efforts somehow. "*
>
> CEO, Involved first generation, founder, Company B

> *"As I explained before, in order to support the business I asked and encouraged the family members to join the business. Everybody has*

their own share and their own job so it is clear their income comes from their job and from the business."

CEO, Involved first generation family member (founder), Company G

"Working in the business, encouragement, being shareholders and keeping the decisions within the council, forgiveness, keeping the family together, are the key factors in transition of the business to the next generation."

CEO, Involved first generation family member (founder), Company G

"When my father established the company he gave each of the family members equal shares even though in those days we were children and did not know anything about the business. Then we became involved in the business when we grew up"

MD, Involved second generation family member, Company F

"...my brother sold the family members some of his shares in instalments as a kind of encouragement to join the business, as long as the business was growing..."

CEO, Involved second generation family member, Company G

"...He gave 35% of the business shares to his grandson, my uncle, and 30% to his second son, my father. So this is how the family business started. As mentioned before, we prefer to keep the business inside the family, with a determined share for everyone. "

MD, Involved third generation family member, Company A

The data also revealed that the religious culture plays an important role among some of these family businesses, because they follow the rules of Islam, which is the major religion in Iran (Curtis and Hooglund, 2008). The data indicated that female family members inherit only half as much as males from the business, as demonstrated by the following quote.

"Actually I suggested my brothers and my sisters. The girls inherited half as much as the boys in the family and I sold the family members some of my shares in instalments as a kind of encouragement to join the business as long as the business was growing. So now it is me, my sister and three other brothers involved in the business in different departments. So I have 33.3%, my 3 brothers have 16.66 % each and my sisters half of the rest. The encouragement was successful and we are working together now."

CEO, Involved first generation family member (founder), Company G

This section has shown that stock gifting to the new generation supports family business involvement and enhances integrity among the family members. Therefore it is also important to the sustainability of family business.

5.2.4 Financial independence and security plan

Comparison between the successful family businesses in the third generation with those in previous stages indicated that second generation family members suffered from not being financially independent. According to Ward (2004), these people feel that they are just wealthy on paper but devote all their time and commitment to the family business and have no other career. In the second and third generations, out of respect, usually family members do not at first ask the founder for a dividend or any kind of financial independence (Carsrud and Brannback, 2012). However, as the family members grow older, their needs change and therefore family businesses should plan for resolving this issue, as the following quotes from second generation family members indicate.

" I always have to tell my father that I need money and he always asks me, 'what do you need the money for?'"

Non-Involved second generation family member, Company B

"My father did not let me follow my business ideas and he never supported me with money for my plans. I am sure he had money but did not want to give it to me. I am over 30 years old and I do not know what to do as I am wasting my time in the family business."

Non-Involved second generation family member, Company B

"... I wanted to be financially independent, not always rely on my father..."

MD, Involved third generation family member, Company C

"My father has always been respected as a god by us and family members feel ashamed to ask him about money and dividends."

Non-Involved second generation family member, Company B

Comparison of successful family businesses in the third generation with those in previous stages also illustrated that successful family businesses in the third generation created some kind of financial independence for the family members. Furthermore, young family members have their own financial needs and need their own personal money and the right to manage that money themselves without having to answer to anyone for their decisions on making investments (Björnberg and Nicholson, 2012; Nordqvist, 2012). Carlock and Ward (2010) claimed that giving financial independence to family members is a valuable means of making sure those family members who are playing very important roles in the family or in the business have a sense of financial power and security. Furthermore, Ward (2004) and Westhead and Howorth (2006) reason that this kind of independence gives family members the opportunity to make free choices. It raises their self-esteem by making them feel respected, and frees them from being dependent on the senior generation. Therefore, family businesses need to establish an individual compensation system that supports family members' financial independence.

Additionally, this research found that this kind of independence is not seen in the second generation, but in the third generation such independence is much clearer and is a sign of development toward continuity. This finding can be understood from the following quotes.

> *"As I mentioned earlier everything is clear in the business between family members. For instance, everything is based on family members' shares. The family members get paid based on their jobs if they work within the company and receive their share dividend every year. If they withdraw more than they are supposed to, they have to return it. These are the values we keep to. Family members have priority if there is a job vacancy and they want it. "*
>
> MD, Involved third generation family member, Company A

> *"...I do like to be ambitious in my job. I do like to expand my business. I do like to be totally independent and not have to answer to my father on every bit of money I make..."*
>
> MD, Involved third generation family member, Company C

> *"Everybody should know what they have; they need a level of independence in their lives...."*
>
> CEO, Involved second generation family member, Company A

5.3 Family Business Policies

As revealed earlier in this chapter, sustaining governance is a form of control system that helps to manage family members' expectations and resolve conflicts. It is a necessary component of the continuity family business model presented in figure 4.10. Therefore this section will discuss the policies and plans most relevant to sustaining governance, based on the data of this research.

Comparison of the participants' answers revealed that second generation family members felt that they are not important in the business or in making decisions related to the business. Furthermore, they illustrated that issues that arise among family members may not be resolved but postponed until another time. The researcher even found evidence that some family members would prefer to start their own businesses as they see no future for them in the family business.

> *"I do not want to go back to Iran to work with the family business; I want to start my business in Dubai. I cannot work with my father's attitude... Our issues and disagreements have not been resolved."*
>
> Non-Involved second generation family member, Company B

> *"...Some of the issues were not resolved but postponed to another time that may never come..."*
>
> MD, Involved second generation family member, Company B

> *"I am 55 years old and trying to guide my children in a different system, not to follow my job if they do not ask to."*
>
> MD, Involved second generation family member, Company G

> *"...the elderly people usually do not care about the new generation's ideas as they have not enough experience in the business and after a while the younger family members who have joined the business will go silent and prefer not to participate into the business or expose their new ideas regarding the family business."*
>
> MD, Involved second generation family member, Company G

Comparison of successful third generation businesses with businesses of the first and second generations illustrated advancement in terms of establishing policies and plans for the business. Successful family businesses predict possible family issues and try to find solutions for dealing with them. They establish policies *before* the policies are actually needed (Danes et al., 2008;

Grote, 2003; Danes and Morgan 2004; Carlock and Ward, 2010). The benefit of establishing policies before they are needed is that issues are given attention before they become personal and emotional. Therefore, family businesses need to make policies in order to resolve issues that may put the continuity of the family business in danger.

Successful family businesses have formal business meetings to discuss arising issues and resolve them. They establish plans and policies in order to direct the business as well as decide what is best for the family. Family members should engage in policy making by coming together as a family and saying, "Let's talk about how we're going to resolve the issue" (Astrachan and Jaskiewcz, 2008). Family members working together on a policy and coming to a consensus is more important than the content of the policy itself (Jaffe and Lane, 2004). Therefore, family members should participate in discussions on how to make policies that will resolve issues.

> *"...We have faced different issues but maybe less than others.... We resolve the issue by talking about it in the meeting...."*
>
> MD, Involved third generation family member, Company A
>
> *"...has a vote and in family business council we sit together speak, take a vote, and then everybody has to obey..."*
>
> MD, Involved second generation family member, Company F
>
> *"...we make decisions in our council and I accept their ideas; even if I am not in agreement with them I have to accept...."*
>
> CEO, Involved first generation family member (founder), Company G
>
> *"...we sit together and exchange ideas and use the young generation's ideas. So I collect different ideas and try to derive something out of it close to everybody's ideas and useful for the business and family (draws a new idea out of it)..."*
>
> CEO, Involved first generation family member (Founder), Company B

"With the management of the founder, some of the disagreements are resolved by meetings, speaking and coming to an agreement on resolving an issue."

MD, Involved second generation family member, Company B

The main policies that emerged from this research will now be discussed briefly.

5.3.1 Decision Making Policy

In the first generation all decisions are usually made by the founder, especially in Iran, where there is a high level of respect for the father as the head of family and head of business. However, as the new generation join the business they need to feel important and they need to participate in decisions of the business and even the family, otherwise conflicts arise and the younger generation become disappointed or may not be willing to continue in the business. The second generation tries to make changes and the first generation may resist, and this can cause conflict. According to some scholars (Davis and Klein, 2005; Le Breton-Miller et al., 2004; Collins 2011; Carsrud and Brannback 2012) the new ideas of young family members should be considered within the business in order to motivate them to actively participate in the business. Relevant views of second generation family members are presented below.

"We were full of new ideas and energy but Iranian culture required the young generation to follow their elders and especially to have a holy respect for the father. So the father was the person who made the decisions about both family and business. So in that culture we had to obey and follow the father's decisions."

MD, Involved second generation family member, Company G

"There is a conflict in every business and disagreement between members. We did have different ideas and faced it too much. But

definitely it was my father who made the final decision. I mean the Director or the CEO is always judge in such disagreements."

MD, Involved second generation family member, Company B

According to the data of this research, successful family businesses resolve issues by making decisions with the participation of active family members. They attend the meeting, discuss the issue and everyone expresses their view via a vote. Finally, it is the business leader who makes the final decision. This kind of policy minimises the severity of issues regarding decisions made in the family business. According to some scholars (Massis et al, 2008; Cabrera-Suarez al 2001; Mustakallio 2002), family businesses need the participation of all family members in making decisions on the business in order to be successful. Therefore, family businesses should ensure that they have a decision making policy that allows consideration of the younger generations' ideas on the business. This proposal is supported by the following quotes.

"I did try to give up some of my powers in decision making and involve others and make the decisions between us to resolve the issues. Nowadays they run their section and just report to me and we make decisions in our council and I accept their ideas; even if I am not in agreement with them I have to accept."

MD, Involved first generation family member, Company F

"The members sit together and exchange ideas to find a solution..."

MD, Involved second generation family member (Founder), Company B

The next section will discuss the importance of dividend policy.

5.3.2 Family Financial Disclosure, Compensation and Dividend policies

According to the findings of this research, lack of clarity over family members' earnings from the business creates conflicts. The gains of every family member should be made clear and the founder should pay equal amounts to all family members in order to prevent possible conflicts among them (Ward, 2004). Therefore, unclear payment and unequal earning creates conflicts in the family businesses. The following quotes indicate the importance of clarity over payments and of financial disclosure.

"... I am 30 years old and I do not know how much my earning from the business is. I need to ask my father every time I need money. It is really annoying for me."

Non- Involved second generation family member, Company B

"My older brother is running the business and I do not receive money from the business but he receives a lot. I just need to ask my father to pay me..."

Non- Involved second generation family member, Company C

This research has found that in successful family businesses, in comparison to first and second generation struggling family businesses, there is clarity over financial earnings and payments to family members. In successful family businesses the salary of each family member and the dividend they can expect to receive from the business have been discussed and agreed so they are clear to all family members. Meanwhile, in other family businesses, these financial expectations are not made clear. According to Rodriguez (2009), family businesses are generated to produce economic value for the owners. Family shareholders, like all investors, are concerned about the financial returns on their shares. They should be provided with reports on the performance of their shares in the same way as shareholders in public companies or non-family businesses. Furthermore, Carlock and Ward (2010) express that family businesses need to begin the process of disclosure by discussing the business's financial policy and the owners' expectations. As part of this policy, salary and dividend payments should be agreed, and follow a clear structure that is understood by everyone. This type of systematic clarification can defuse many potential sources of family conflict. The following quotes reflect the importance of such a policy.

> *"...everything is clear in our business between family members. For instance, everything is based on family members' shares. The family members get paid salaries based on their jobs if they work within the company, and receive their share dividend every year. If they withdraw more than what they are supposed to, they have to return it"*
>
> MD, Involved third generation family member, Company A

> *"...Share dividends are apart from working in the business. If family members are working in the business we pay them salaries higher than those of outside managers to encourage them and their dividend is different. Family members receive their dividend, if they need it, at the end of the fiscal year."*
>
> CEO, Involved second generation family member, Company A

This policy makes the owners feel responsible for the business and also has a positive impact on family members' feelings of independence, and therefore encourages their participation. Meanwhile, the disclosure of payments among family members reduces conflict and enhances family trust. Disclosure and its impact on trust will be discussed in chapter 6.

5.3.3 Employment policy

As discussed in relation to the involvement plan, family businesses should encourage and facilitate the younger generation's involvement in the family business. According to Astrachan and Jaskiewcz (2008), family businesses need an employment policy for involvement of family members in the business. Furthermore, most successful family businesses design family employment policies which manage family expectations and reduce conflicts among family members (Collins, 2011; Jaffe and Lane, 2004; Martinez et al., 2007; Nordqvist, 2012). Therefore, employment policy has an effect on the sustainability of family businesses.

The comments of the interviewees in this research indicated that the participating family businesses did not have specific written employment policies; however, every family member was welcome to join the business, especially when the business was growing and needed more employees. Accordingly, there was an unwritten policy that senior family managers would try to accommodate family members into the business and give them priority in terms of joining the business and promotion within the business.

> *"My father gave me freedom to enter or not enter into the business. I wouldn't say there were any written rules for family or business that we were asked to read and then accept, to then be allowed into the business, like terms and conditions. "*
>
> MD, Involved third generation family member, Company C

> *"...if there is a position in the business and it's between me and another person the preference is the family member takes the position to keep the business in the family; company A likes family members to join the business and grow the business..."*
>
> Non-involved second generation family member, Company A

The findings of this research indicated that in some family businesses the founder would start off the young family members in the business from bottom line jobs as beginners and promote them according to their experience. This result is in accordance with Ward's (2004) finding that family businesses provide family members with opportunity to start their career in the business in a low level job and work their way up. However, as the following quote indicates, it is important that their position and job description are made clear.

> *"His duty and position should be clarified and his income should be specified too. This encourages the family members to work harder."*

CEO, Involved second generation family member, Company A

Nevertheless, the researcher found that most of the participating family businesses did not welcome in-laws into the business. Most of the family businesses in different generations had a negative impression of involving in-laws in the business and most of them had an unwritten policy not to invite in-laws into the business. The reason for this is that immediate family members did not feel they would receive the same support from in-laws. Additionally they felt that in-laws would work on behalf of themselves instead of the family and they would cause conflicts among close family members by interfering and pushing different values. Carlock and Ward's (2010) study supports the current finding that some family businesses do not welcome in-laws to join the business. This unwritten policy not to welcome in-laws into the business is indicated by the following quotes.

"Based on my experience we should not let in-laws, especially wives, interfere in the business as they ruin the relationship between brothers."

CEO, Involved second generation family member, Company A

"We decide about the family in the family business council. We decided that sons in law and sisters in law should not enter the business and we should try to keep it between us. There is great worry about their involvement into the business."

MD, Involved third generation family member, Company A

5.3.4 Shared Investments policy

The findings of this research indicate that in successful family businesses, possible business opportunities are primarily offered to family members. Presenting business opportunities to family members before offering them to others increases the level of trust between family members. Carlock and Ward (2010) claim that such sharing of investment opportunities within the family is so widespread in successful family businesses that it seems almost natural. It demonstrates commitment of the family members to each other. This policy relates to the disclosure and transparency discussed earlier in (5.3.2).

According to Ward (2004), trust among family members is enhanced by the sharing of investment opportunities with one another. When one sibling tells the other family members about an excellent investment opportunity he/she has come across, he/she displays generosity of spirit and the attitude that he/she is looking out for the best interests of the whole family. It reinforces the spirit of being a family in an enterprise together. It does not, however, mean that family members must participate even if they do not want to or cannot afford it.

> *"If a family member wants to start a business other than the current business, he firstly shares the idea with other family members to give them a share, if they are willing to do so they purchase the share from their own money not from the business."*
>
> MD, Involved third generation family member, Company A

This section defined the appropriate policies for forming and supporting governance as revealed by family members. The next section will expand on leadership style as the third sub category derived from the data.

5.4 Implementation of Leadership in Multi-generational family businesses

This research revealed leadership as an important issue in the success of family businesses, based on the participants' views. In order to have sustainable governance, family businesses need to adopt clear and successful leadership in order to overcome transitional issues. The development of top management teams to handle the competitive business environment has been well considered in different literature (Hambrick, 1981; Hambrick and Mason, 1984; Haleblian and Finkelstein, 1993). Passing the family business to another generation, potentially with several members involved in the leadership, is an extremely crucial issue. Sharma et al. (2007) define the leadership succession process as passing of leadership from one family member to another when the individuals belong to different generations. It is one of the most difficult challenges to transfer family members' shares, management, ownership and leadership on to several next generation family members (Aronoff, 1998).

The findings of this research indicate that resistance to change, failure to release control and confusion in reporting all create conflicts among family members in family businesses. Reporting confusion occurs when there is more than one leader and employees find it difficult to respond to multiple family members at the top of a company. This situation causes conflict between family members as well. According to Nkut (2011), family members should clearly describe responsibility for different areas of the firm. The following quotes indicate the existence of leadership conflicts in the participating family businesses.

> *"...sometimes the hajagha's (founder) sons asked me to do something different than what the hajagha (founder) had already told us. It confused me, as if we took one order the other side would be angry about us..."*
>
> Involved Non-family manager, Company B
>
> *"... The young generation always complain about the older generation's decisions; if father made a decision or did not take that way or did not trust that person, we would have had a better position than now. In fact the success of the founder of the business after a while will not be seen by the young generations as trust will be falling apart between family members...."*
>
> MD, Involved second generation family member, Company G

In the first generation, the founder, as an entrepreneur, is the most important person, with sole decision making authority. The founder therefore has the most responsibility for the continuity of the family business (Barnes and Hershon, 1989). Dyer (1988) found that in the first generation family firms are more centralised in their decision-making compared to the next generations. This kind of sole decision making was clearly apparent among the interviewed family businesses.

> *"Iranian culture required the young generation to follow their elders and especially to have a holy respect for the father. So father was the person who made the decisions and decided about family and business together. So in that culture we had to obey and follow the father's decisions. In Iranian culture at the time, young people could never question their elders' decisions; they are the boss in the family and in the business. Despite whether they make good decisions or bad decisions, they are the boss. Respect is so important among families in Iran."*
>
> MD, Involved second generation family member, Company G
>
> *"In the times when father was alive, no one asked any questions. We did not have any problem, whatever Father said or asked we did. Whatever he wanted us to sign we signed without reading. Before he died nobody said 'I am a shareholder here'. Everybody believed that these were father's gains and this belonged to our father, and then he gave us some shares so nobody asked for anything when he was alive. "*
>
> MD, Involved second generation family member, Company F
>
> *"My father, as an entrepreneurial man, is the head of the family and is the reference in the business as well. The whole of Iran in this business admires my father, why shouldn't I? Whoever has a problem comes and consults with him, even in the business. His high level of trust and good reputation in the business is a kind of encouragement for me to join the business. "*
>
> MD, Involved second generation family member, Company D
>
> *"...the father, as the head of the family and business, is the person who can manage the conflicts between family members (After him, mother or older son), But definitely it was my father who made the final decision. I mean the Director or the CEO is always the judge in such disagreements."*

MD, Involved second generation family member, Company B

As the young generation becomes involved in the business and gains experience, this leadership structure of sole decision making needs to change. This kind of change is difficult, especially in Iranian family businesses, where there is such a high level of respect for elders, especially fathers. As mentioned earlier, the other family members should participate in making decisions for the family business. Therefore the leadership style needs to change to one of participative leadership in moving toward succession of the family business. Nkut (2011) defines "Democratic leadership" or "Participative leadership" in family businesses as invitation of other members of the team to contribute to the decision-making process before the final decision is made by the family leader. This not only increases team working, quality of decisions and job satisfaction by involving family members in what's going on, but it also helps to resolve the issues (Ward, 2004). Hence, this kind of leadership of family businesses is suggested by this research as it supports continuity of family businesses.

> *"...It is better that such decisions are taken in family member meetings to avoid any possible hurt to the family and business rather than just one person being responsible for everything. This factor has a great role in successful transition in the future. It protects the family and the business and the family relationships..."*
>
> MD, Involved second generation family member, Company B

> *"Working in the business, encouragement, being shareholders and keeping the decisions within the council, forgiveness, keeping the family are the key factors in transition of the business to the next generation."*
>
> CEO, Involved first generation family member, Company G

> *"as my father created such a culture to leave such decisions to elders and to the sons."*

MD, Involved second generation family member, Company F

"Everyone has a vote and in family business council we sit together, speak, and take a vote and then everybody has to obey, even though they might not be happy with the decision. It's not the father who makes the final decision but he is the founder of the business and the family head so his vote counts double compared to others and we all rely on him but the decision is made based on the vote of every family member in the business. "

MD, Involved second generation family member, Company D

"He came once a day and sat with me and discussed with me the situation and asked me for a report, as CEO, but he never gave me strong orders to do or not to do something, mostly some kind of advice."

MD, Involved second generation family member, Company F

"On the first day that they were involved in the business, they did not know that they had joined the business. I did include them in the family business with this aim of achieving more power and success with their involvement in the future: 'one hand does not make sound they join to make one bigger sound'".

CEO, Involved first generation family member, Company B

"I decided to guide them, direct them and speak with them and at the end I covered them and supported their ideas so they could understand the situation and come out with a good result. I was on my children's side and guided them in order to pass and overcome the problems."

CEO, Involved first generation family member, Company B

""On the other hand I collected different ideas and tried to derive something out of it close to everybody's ideas and useful for the business and family (draws a new idea out of it).."

CEO, Involved first generation family member, Company B

The findings of this research revealed that decisions are made by a single leader in the first generation. The second generation need exposure to the business and to gain education and experience before the senior leaders will accept their ideas in the business. Therefore, leadership transition is a process of transferring knowledge and experience of the business to the younger generation through time. Cater and Justis (2010) proposed a four stage model which presents a gradual role reversal process between the senior family leaders and the successor generation leaders which can be summarised as follows: In stage one, the incumbents are seen to be unchallenged leaders of family firms, and the successors are students of the business, either in high school or college, and working part-time in the business. In stage two, incumbents are seen as rulers and the successors as helpers. In stage three, the incumbents develop as supervisors and the successors as managers. In stage four, the incumbents become consultants and the successors become leaders. The leadership pattern in different generations in the current research support such a stage model, as can be seen from the following quotes:

> *"I do teach them item by item and issue by issue. If they listen to me they will not regret and have not regretted so far by listening to me, unless one of them has not listened to my ideas and comments and just acted on his own."*
>
> CEO, Involved first generation family member, Company B

> *"The members sit together and exchange ideas to find a solution. But I don't think it affects the family relationships."*
>
> MD, Involved second generation family member, Company B

> *"I learnt many things in business from my father, also I might be the first generation in producing materials for the packing industry but I am the second generation in the business because my father first published the letterhead for our family"*
>
> CEO, Involved second generation family member, Company C

"As the time passed the family members learnt how to do the business so after a while they wanted to participate in decision making."

CEO, Involved first generation family member, Company G

5.5 Connection between participative commitment and sustaining governance

The findings of this study indicate that involvement of young family members in the business is one of the most important elements in sustainability of family businesses. They should be educated, empowered and supported by senior family members. The findings also advocate that young family members need to feel commitment to their involvement in the family business, support it and participate in its activities. It was also found that senior family members should begin to implant such commitment and good feelings towards the family business and their involvement in it in young family members' minds from childhood. Organisational governance is important to maximising the family members' contribution to the organisation's goals. Organisations that encourage appropriate participation make better decisions and the decisions receive greater support (Zahra et al., 2004; Karatas-Ozkan et al., 2011) Therefore, participative commitment supports family members' involvement in the business.

Family businesses require planning in order to manage conflicts between family members. If family members contribute to the planning process, the plans are more likely to be supported by family members and therefore more likely to be successful. It is also mentioned by Carlock and Ward (2010) that such participation will result in better quality plans. Therefore, senior family members should invite family members to participate in the planning process. On the other hand, young family members need to develop the necessary commitment in order to contribute to this process.

Making clear policies in order to implement the plans of the family business and reduce conflicts between family members was another finding of this research. Family members should be actively involved in the family business and contribute to making such policies. Senior family members should also invite younger family members to engage in their discussions. The more family members are involved in policy making meetings the more support the policies will have from those family members. Furthermore, family members should feel committed and comfortable in participating in meetings, as participative commitment will support family members' contributions to policy making.

Sustainability of a family business also entails passing on leadership ownership and management of the company to the new generations. The founder has the main responsibility for the continuity of the family business (Barnes and Hershon, 1989). Sharma at al. (2007) define the leadership succession process as passing of leadership from one family member to another when the individuals belong to different generations. The leadership transition process needs to prepare family members to take on the responsibilities of the family business. Senior family members need to be committed to planning to pass the leadership of the business to the next generation. On the other hand, the new generation should be committed to participating in the transition process and taking on the responsibility of leadership of the family business.

The findings of this research support this idea of active family members participating in the decision making process. It is very important that family members understand that they need to sit together and make decisions about how the ever changing environment is affecting the family business as, according to Ward (2004), not everything can be planned in advance. Carlock and Ward (2010) state that highly committed family members are able to sit down together and make decisions and also mentor younger generations so that they are able to learn how to resolve issues. Such commitment and participation in making decisions and resolving issues in an ever-changing situation will support the sustainability of family businesses.

According to the data of this research, family members should be committed to preparing the younger generation for leadership of the family business. Successors need thorough training programmes to acquire firm specific knowledge and to develop their capabilities (Morris et al., 1997). They also need guidance and education from mentors, which may begin informally around family dinners and gatherings (Dyer, 1986). Training in leadership, commitment, integrity, mutual respect has been defined as the most important factor in developing successful leadership of succession of family businesses (Cabrera-Suarez, 2004; Chrisman et al., 1998; Dyck et al., 2002; Astrachan and Jaskiewcz, 2008; Nordqvist, 2012). Therefore, commitment to preparing the younger generation for leadership responsibilities increases the family business's chances of sustainability.

5.6 Summary

This Chapter defined and discussed Sustaining Governance as the first theme of this research. Sustaining governance is defined as controlling the family and business, improving business performance, managing family members' expectations and passing on leadership. The essence of the planning process is setting goals and describing actions to achieve those goals. Family businesses need constantly to develop and adapt policies and plans if they wish to remain healthy and sustainable. Sustaining governance creates an excellent opportunity for family members to think and programme to resolve major issues in the family business. Through sustaining governance, the family and management can minimise common minor issues and consider larger, more abstract issues (Ward, 2004). Therefore, sustaining governance in terms of this research is the process of controlling and minimising possible conflicts among family members which is necessary for family business continuity.

Planning enables a family to identify policies and programmes to reflect their changing values and allow them to create a new vision of the future. Through planning, family members can build a common understanding of business and family goals. Additionally, as the family grows and family members become more mature, sustaining governance addresses the changing family relationships and changing agendas.

As revealed in this chapter sustaining governance helps family members and management to understand the critical factors for family business continuity (Carlock and Ward, 2010). It also provides a foundation for coordinating, directing and controlling the activities of the business. These goals have special meaning for a business family concerned about dealing with the additional challenges of management and ownership succession while maintaining family relationships.

Chapter 6: Sustaining Trust

6.1 Introduction

This chapter will expand on Theme 2, i.e. 'sustaining trust', which emerged from the data. The aim of the chapter is to show and clarify the views of participants on the role of trust in achieving sustainability of family businesses.

As explained in Chapter 4, the findings of this thesis represent that the continuity of family businesses is a process that encompasses three themes. The first theme (Sustaining governance) represents a legal structure of resolving issues and managing family members' expectations, as explained in chapter 5. The second theme, which is shown in red colour in figure 4.10, is 'Family Trust'. This theme relates to the role of trust in sustainability of family businesses, as presented in the continuity process model (Figures 4.9 and 4.10).The third theme, 'family integration', will be discussed in chapter 7.

This chapter will discuss the categories and sub-categories relevant to 'Sustaining Trust' as the second theme of this research (as shown in Figure 4.9, discussed in Chapter 4). It will be shown how each category and sub-category is related to the initiation of trust between family members in the first and second generations, and therefore contributes to continuity of family businesses to the next generation.

The next section starts with the definition of trust in family businesses and continues by explaining how to build and sustain trust in family businesses. Then the notion of commitment and process of resolving issues will be considered as other important factors in creating and sustaining trust in family businesses. Next, the benefits of sustaining trust to maintaining a successful family business will be explained, and finally, the chapter will discuss the relationship between family trust and participative commitment.

6.2 Definition of Trust in relation to family businesses

A unique strength of family businesses is trust. Family business owners seek to create trust within their organisations and in their business transactions outside the company. Trust in relation to family businesses means the value of the stability, trustworthiness, and long-range orientation that being private can provide (Clark and Payne, 2006). Trust is viewed as a fundamental element for the competitiveness of family businesses (Ward, 2004). This chapter discusses the definition and characteristics of trust between family members, especially in relation to Iranian family businesses, as well as challenges which can obstruct and damage the formation and existence of trust among family members.

As the findings of this research revealed, trust is very important to the sustainability of family businesses. Trust relates to a person's belief that individuals with whom they have relationships will make honest efforts to support their commitment and will not abuse the provided opportunity (Rousseau, Sitkin, Burt & Camerer, 1998). Trust is very important in family businesses as their existence goes beyond economic justification. Trust "often represents a fundamental basis for cooperation" and is a source of competitive advantage for family businesses (Steier, 2001). Trust enables cooperation; promotes network relationships; reduces harmful conflict; decreases transaction costs; and facilitates the effective functioning of groups and effective responses to crises (Rousseau et al., 1998). A business family creates trust when it works together to plan or solve a problem about hard issues. Fairly developing family rules and then applying them among family members builds trust (Sundaramurthy, 2008). Therefore, trust plays an important role in family businesses.

Family businesses benefit from a high level of trust among family members from the beginning, in the form of Interpersonal Trust. Interpersonal trust takes a remarkable amount of time to build among strangers and typically this requires extended periods of repeated interactions. Family firms begin with this deep level of trust because the family is a common identifying factor

(Sundaramurthy, 2008). Shared history, experience, identity, rituals and realities serve as a critical attachment mechanism fostering interpersonal trust (Gersick et al., 1997). The immediate access to these deep levels of interpersonal trust among family members has significant implications in that they often contribute capital and other resources on the basis of this trust (Aldrich & Cliff, 2003; James, 1999; Sanders & Nee, 1996; Hurley, 2006).

Consequently, trust is one of the unique strengths of family businesses. Family business owners seek to create trust inside their organisations and in their business dealings outside the company. Therefore, they build businesses that depend on trust. Trust is at an interpersonal level in the early stages of a family business and reaches a competence level as the family business grows (Sundaramurthy, 2008). The next section explains the nature of interpersonal trust and competence trust that exist in family businesses and how these contribute to formation of a trust mechanism.

The findings of this research suggest that family businesses benefit from a level of trust that is sufficiently high for every family member to be invited to work in the business or be willing to work in the family business in some way. Family businesses, particularly in the early stages, are represented as "high trust" organisations where trust is interpersonal (Corbetta & Salvato, 2004). Interpersonal trust, among members of the family, is based on kinship, familiarity, commonality of personal characteristics, history and extended periods of experience (Carney, 2005; Kets de Vries, 1993; Bachmann, 1998; Steward, 2003; Clark and Payne, 2006). The following quotes demonstrate the existence of a strong level of interpersonal trust in the early stages among the participating family businesses.

> *"I might say, there needed to be a trustworthy person in the sales department close to the owner and management as it was the heart of the company... "*
>
> MD, Involved second generation family member, Company B

"My father never asked me any questions after I had been assigned as managing director. He always said it is you and your job and do it in your way. He never interfered in my decisions, as he trusted me."

MD, Involved second generation family member, Company F

"...no one could be more trustworthy than her to me so I left the financial department to her..."

MD, Involved second generation family member, Company F

The findings of this research indicate that this strong level of trust among family members may not be sustained as the family business develops and more family members join the business. As family businesses face lots of conflicts, family trust may be damaged over time. Unfortunately, it happens in family businesses that what was very robust trust in the early stages is replaced by an atmosphere of fragile trust (Steier, 2001, p. 353). Therefore, as the following second and third generation quotes demonstrate, this damage to initial trust, caused by conflicts, can affect the sustainability of family businesses.

"The young generation always complain about the older generation's decisions; if he did that or did not do that or did not trust that person, we would have had a different position than now. In fact the success of the founder of the business after a while will not be seen by the young generations as that trust will be falling apart between family members. In other words, as the older generation does not trust the younger generation, after that the younger generation will lose their enthusiasm for participating in the business and lose their trust of the founder and not see the founder's success anymore."

MD, Involved second generation family member, Company E

"My father never wants to give us freedom. He does not trust me and does not give me money to start my own business. I also do not want to work with him..."

Non-Involved second generation family member, Company B

"Sometimes my father did not value my decisions and ideas, which made me angry as I was full of new ideas and knew my job, but at the end of the day I understood that his decision was better than mine as he was more experienced than me."

MD, Involved second generation family member, Company D

"As mentioned before we prefer to keep the business inside the family, with a determined share for everyone."

MD, Involved third generation family member, Company A

Family businesses need to build and keep the trust between family members in order to survive to the next generation. The businesses that build and sustain constant trust have a better chance to survive longer (LaChapelle & Barnes, 1998; Gersick, Davis, Hampton & Lansberg, 1997). Therefore, long term trust is vital to family businesses in surviving the transition to the next generation.

"If family members trust each other and forgive each other, the business becomes more successful and profits will rise as well....(Close family relationships) and trust are key reasons that we have come so far. None of the younger family members have asked, 'what have you done in the business?' They trust us and respect us."

CEO, Involved second generation family member, Company A

"I do teach them item by item and issue by issue. If they listen to me they will not regret and have not regretted so far by listening to me, unless one of them has not listened to my ideas and comments and just acted on his own."

MD, Involved second generation family member, Company B

It is revealed by this thesis that in Iran individual family members, especially in the first generation, make sacrifices to support the business. Family members are willing to commit, “even to the point of self-sacrifice” in the name of the general family welfare” (Gersick et al., 1997). Such contributions provide the family business with what Barney and Hansen (1994) call “strong form trust,” which is rare and is a source of comparative advantage. Consequently, the high level of interpersonal trust within Iranian family businesses makes members willing to work very hard and make sacrifices to support family and business, as is indicated by the following quotes.

> *"My father worked hard and built up the infrastructure of the family business so we have to follow it up."*
>
> MD, Involved second generation family member, Company D

> *"...he (Father) has been working so hard during his working years with minimum facilities, which were hard and valuable experiences, so he does see what we can't see..."*
>
> MD, Involved second generation family member, Company D

> *"...I was working so hard, I can remember I was involved more in the sales department; I can remember I was in the office and doing the sales stuff with one of my colleagues at 11pm on New Year 's Eve."*
>
> MD, Involved second generation family member, Company B

However, the findings of this research suggest that, apart from having a positive impact on family businesses, interpersonal trust can have a dark side, in the form of "blind" trust. While interpersonal trust can reduce anxiety, it may lead to blind trust in the leaders of tightly joined groups such as family businesses (Janis, 1982). Blind trust eventually erodes the quality of decisions and negatively affects the ability of the family firm to compete in the market, or can create legal threats for the family business (Sundaramurthy, 2008). The following quotes demonstrate the dark side of interpersonal trust which can damage the continuity of family businesses.

"My father was unhappy about my brother when he was not successful in his position in the business but did not tell him about his strong disagreement; somehow he stopped himself."

MD, Involved second generation family member, Company B

"I am not against giving away my authority, I would say this authority on doing business should be managed and controlled. The young family members may make wrong decisions. Every wrong decision threatens the business and threatens the family as well, because the family members are involved in the business and are doing the business. Each threat to the family threatens the business as well. If anything wrong happens in the business, especially toward the state authorities, it puts the family and business in danger."

MD, Involved second generation family member, Company B

"... I decided to guide the young members, direct them and speak with them and at the end I covered them and supported their ideas so they could understand the situation and came out with good results. I was on my children's side and guided them in order to pass and overcome the problems."

CEO, Involved first generation family member (Founder), Company B

As discussed earlier, overdependence on interpersonal trust can pose problems. This research has identified necessary elements for sustaining trust, which can be used to create a 'trust mechanism' for building and sustaining trust in Iranian family businesses. These elements of long lasting trust will be discussed in the next section.

6.3 Sustaining Trust Mechanism

As mentioned earlier, trust is a critical source of competitive advantage for family firms and yet the initial trust embedded in the family firm is often eroded by conflict and turmoil; hence, it is important to understand how this resource can be sustained and nourished. In particular, openness to outside influence, clear and transparent rules and policies, strong communication, respect the challenge, respect for family members, appeasement and forgiveness can build system trust and reinforce interpersonal trust, respectively. The last four elements constitute specific findings of this research in relation to Iranian family businesses. These components of the trust mechanism reinforce trust through generations and support the sustainability of the family firm and will be therefore discussed in detail in the following sub-sections.

6.3.1 Making clear Policies

The findings of this research suggest that having clear policies enhances trust among family businesses. As the family business grows, interpersonal trust cannot be sustained without confidence in the system that governs key interpersonal exchanges. Traditions and formal rules contribute to a higher level of reliability among family members (Jurinski & Zwick, 2001). Furthermore, as mentioned in chapter 5 (5.3, p170), successful family businesses recognise predictable family involvement issues and therefore are able to deal with them before they have an impact at a personal level (Ward, 2004). Constructing clear policies enables family members to discover what is important to them as a family and what is important to them as individuals. Clear policies allow for the integration of family values within clear boundaries, and help establish and sustain trust in the family business (Galford & Seibold, 2003). Clear policies can reduce role ambiguity, manage expectations of family members and those of employees, and produce trust in the system (Jurinski & Zwick, 2001). As mentioned in chapter 5, decision making policy, shared investment policy, dividend policy, promotion policy, employment policy and compensation policy are all important to Iranian family businesses. Therefore, successful family businesses make clear policies which enhance trust in family businesses among the family members, as indicated by the following quotes.

> *"Family members have priority if there is a job vacancy, if they want it. If a family member wants to start a business other than the current*

business, he firstly shares the idea with other family members to give them a share. If they are willing to do so they purchase the share from their own money, not from the business."

MD, Involved third generation family member, Company A

"As I mentioned earlier everything is clear in the business between family members. For instance, everything is based on family members' shares. The family members get paid based on their jobs if they work within the company and receive their share dividend every year. If they withdraw more than they are supposed to, they have to return it"

MD, Involved third generation family member, Company A

"We make decisions in our council and I accept their ideas; even if I am not in agreement with them, I have to accept."

MD, Involved first generation family member (founder), Company F

Consequently, if interpersonal trust is not supported with structures and policies, it is not likely to be sustained in the long term. Therefore, successful family businesses build on interpersonal trust by making clear policies that enable family members to discover what is important to them as a family and what is important to them as individuals. The next part explains 'communication' as another element of the 'sustaining trust mechanism' for Iranian family businesses.

6.3.2 Communication

According to the findings of this research, as family businesses grow beyond one generation, higher quality communication is required in order to maintain interpersonal trust. Otherwise, as family businesses mature, interpersonal trust may be weakened by the involvement of following generations (Sundaramurthy, 2008; Hurley, 2006). As the business turns over from one generation to the other, the firm's new leadership can strengthen family trust by means of open, honest and consistent communication (Ward, 2004). Such communication facilitates the movement of information among the various parties, and knowledge that is central for producing trust within the family business (Das & Teng, 1998; Whitener, Brodt, Korsgaard & Werner, 1998). Good communication among stakeholders is fundamental to effective and fair processes or justice within a family business (Heyden, Blondel and Carlock, 2005), and therefore communication plays an important role in building sustainable trust in family businesses.

The findings of this research identify family visits, family meetings and board meetings as the most popular formal methods of communication in Iranian family businesses. Family meetings, councils and assemblies are systematic communication forums that enhance interpersonal trust as the family business grows (Poza, Alfred & Maheshawi, 1997).These meetings can serve multiple purposes: to share family information, maintain relationships and help small shareholders feel a valued part of the family business. Shareholder meetings can impart a strong sense of ownership to family members as well (Sundaramurthy, 2008). Therefore, systematic communication forums are crucial for enhancing and sustaining trust, as is exemplified by the following quotes from the participating family businesses.

> *"We discuss and within the family council we make decisions. But it does not affect the family. "*
>
> CEO, Second Generation Family member, Company A

> *"Apart from board meetings and family council meetings, we have a family gathering at least once a year, with every family member coming to the gathering".*
>
> CEO, Second Generation Family member, Company A

> *"Nowadays they each run their section and just report to me and we make decisions in our council and my brother accepts the members' ideas; even if he is not in agreement with them he has to accept."*
>
> CEO, Involved first generation family member, Company G

"I have been in a council meeting once, with the board members and managing directors in the business meeting. In the meeting one of the young family members involved in the business was suggesting his ideas and the rest of the family business council were listening and the final decision was made after his suggestions."

Non- Involved third generation family member, Company A

"...everyone has a vote and in family business council we sit together, speak, take a vote, and then everybody has to obey, even though they might not agree."

MD, Involved second generation family member, Company F

"We discuss any issue, it's very simple, as we are working in the same place we just sit in an office, speak and make a decision about the issue and everybody gets back to work."

MD, Involved second generation family member, Company D

Therefore, strong effective formal communication structures are critical in developing shared understandings about the family business among new family business members and those that are not actively engaged in the business. Collective identity and interpersonal trust can be strengthened by strong communication among family members. The next section explains transparency as another element of creating a 'sustaining trust mechanism' in family businesses.

6.3.3 Open Disclosure/ Transparency

This research proposes that family members in successful family businesses should share full and open disclosure with one another as this enhances trust. Successful family businesses understand the need for openness in their children's generation and encourage it by disclosure of everything affecting the family members, especially compensation and dividends (Ward, 2004). This research found that within the participating Iranian family businesses open disclosure enhances trust and thereby supports long term trust. This factor was not mentioned by first and second generation family members but only found in the third generation family businesses.

> *"We face different issues but maybe less than others as everything is clear between family members in the business"*
>
> MD, Involved third generation family member, Company A

> *"In our family, there is transparency. Everything is clear. Members' shares, gaining income and everything are clear. If I take 1KG Pistachios home it should be put in my personal account. If there is transparency and accountability between family members most of the problems will be resolved. Shares dividend is apart from working in the business. If family members are working in the business we pay them salaries even higher than those of outside managers, to encourage them and their dividend is different."*
>
> CEO, Second Generation Family member, Company A

> *"... Family members receive their dividend if they need that at the end of fiscal year."*
>
> CEO, Second Generation Family member, Company A

'Compensation' and 'outside investment' opportunities, as two aspects of open disclosure, will now be explored.

i) Compensation

The findings of this research suggest that the family business founder, while he/she is in control, should be open with all the children about what each child is earning, in order to enhance the level of trust. The founder-parent should encourage siblings to begin from a very early age to create sustainable trust in one another by being open, sharing, vulnerable, honest, and forthright. When everyone has the information, no one is guessing at it or making an issue of it (Carlock and Ward, 2010). It will also stop spouses or in-laws raising unequal earnings complaints and comparing family members' earnings (Sundaramurthy, 2008). Therefore, being open on earnings of family members maintains trust among family members and thereby prevents possible conflicts that may arise through pay discrimination within the same family.

> *"As I mentioned earlier, everything is clear in the business between family members. For instance, everything is based on family members' shares. The family members get paid based on their jobs if they work within the company and receive their share dividend every year. If they withdraw more than they are supposed to, they have to return it. These are such values as we keep. Family members have priority if there is a job vacancy, if they want it"*
>
> MD, Involved third generation family member, Company A

> *"I think making the financial issues clear between family members, keeping the Family United, and by forgiveness, we have faced and overcome the family issues so far and I think these factors have a key role in overcoming the issues."*
>
> MD, Involved third generation family member, Company A

> *"My father never asked me, 'how much is your income from there? How much do you spend for yourself? Sometimes some questions arise, when you are brother and sister you solve it between yourselves but with non-immediate family members (Son in law or daughter in law) it might be treated differently and cause a problem."*
>
> MD, Involved second generation family member, Company F

'Outside investment opportunities', as the second area of open disclosure transparency required for sustaining trust, is discussed next.

ii) Outside Investment Opportunities

This research also suggests that it is essential for siblings in family businesses to share information with one another about investment opportunities they come across and about their own personal investments. Making the family members aware of investment opportunities indicates evidence of commitment to the family and can be considered as a trust-building dimension in the family business (Sundaramurthy, 2008). Furthermore, such open discussion of personal investments keeps everyone informed in the event that an investment affects the business (Ward, 2004). Therefore, transparency on outside investments increases the level of trust among family members. The following quotes demonstrate the sharing of investment opportunities between family members as an open disclosure element which enhances trust. This finding did not emerge in the first and second generation interviews.

> *"If a family member wants to start a business other than the current business, he firstly shares the idea with other family members, if they are willing to do so they participate in that business from their own money not business money..."*
>
> MD, Involved third generation family member, Company A

> *"...The business then expanded into different food companies but still my uncles and my father are working together. Actually every business they started after that they share together and run together... "*
>
> Non-involved third generation family member, Company A

The finding of this research is that family members can support each other on investments, or the family council may support them on such opportunities for funding from their dividend (Ward, 2004). There is, however, no compulsion for family members to participate in investments against their will or if they cannot afford it. Therefore, the spirit of being involved in a family enterprise together and sharing investment opportunities enthusiastically sustains the trust which is essential for continuity of family businesses. The following quote suggests that successful family businesses should support their members financially if they need money to fund investment opportunities.

"We have a family account. If a family member needs money we will give him/her it and keep it in the book under his/her name. At the end of the fiscal year, each company announces its profit to the family account (Mother company) then it is divided between family members based on their shares. We try not to let money cause issues among family members."

CEO, Second Generation Family member, Company A

6.3.4 Process of resolving issues

The finding of this research proposes that successful family businesses see conflicts, different ideas and generational issues as opportunities to build competitive advantage. Successful family businesses see conflicts among family members as something that makes them stronger (Ward, 2004). Successful family businesses combine the experience of senior managers and the new ideas of new generation family members to create a competitive advantage (Carlock and Ward, 2010). Therefore, successful family businesses consider conflict as an opportunity to resolve issues and synergise the family business capability by combining new members' ideas and old members' experiences, as the following quotes illustrate:

"... I collected different ideas of my sons and tried to derive something out of it close to every body's ideas and useful for the business and family (brings a new idea out of it). .."

CEO, Involved first generation family member (Founder), Company B

"So Elderly experience plus new generation ideas will lead to success. The young generation are up to date and full of energy, more importantly they have time to experience new things."

MD, Involved second generation family member, Company E

"Parents have an attitude and think for the last 60 years but the young generations have new thinking, up-to-date, as a 20 year old person so such a conflict is common."

CEO, Involved first generation family member (Founder), Company B

Results of this thesis indicate that successful family businesses resolve internal issues by participating in closed meetings. As the family business grows and more family members enter into the business so the potential for conflict rises. Not everything can be planned for in the business. Successful family businesses have a kind of mechanism to sit together, discuss the issues and make decisions about them (Carlock and Ward, 2010). They understand there will be conflict but they try to keep it within the family members, talk about it and resolve it among themselves. Therefore, resolving issues in family businesses should be considered as a continuous process and the process of mitigating and making decision results in sustaining trust as an element of family business sustainability.

"Each child has his own character, one can be more aggressive, and the other might be calmer. It cannot be resolved and treated the same as they are different like the five fingers of one hand. I tried to be patient and resolve the issues."

CEO, Involved first generation family member (Founder), Company B

"*Yes there has been conflict but they resolve it between themselves and almost no one feels it outside."*

Manager, Involved non-first member, Company B

"Yes of course (there are issues), but my father and us kept it between us and tried to sort it out between ourselves."

MD, Involved second generation family member, Company F

"We have kept it between us and tried to resolve the issue among the family members by discussing it."

MD, Involved second generation family member, Company F

"Always discussion and disagreement have been behind closed doors and never leaked outside."

MD, Involved second generation family member, Company D

Consequently, it is necessary for family members to discuss and resolve their issues in their private meetings which give more flexibility in resolving issues and help the family members to maintain their unity and thereby support sustaining trust. The benefits of sustaining trust will be discussed in the next section.

6.4 Benefits of Sustaining Trust

Chapter 4 having identified sustaining trust as an important factor in the continuity of family businesses, the main benefits of trust, namely 'Sharing information and knowledge', 'reducing resistance to change', 'business involvement', will now be discussed in more detail. The next section (6.4.1) will first clarify 'sharing information and knowledge'.

6.4.1 Sharing Information and knowledge

As discussed in the previous chapter (section, 5.2.1), the senior generation needs the younger generation to be involved in the family business, in order to transfer knowledge of the company to them. Trust has been determined as one of the several prerequisites of knowledge sharing (McNeish and Mann, 2010). Knowledge sharing has been conceptualised as the willingness of individuals in an organisation to share with others the knowledge they have acquired or created (Gibbert and Kraus, 2002). Trust is regarded as important in the sharing of knowledge (Davenport and Prusak, 1998) because it is an antecedent and a consequence of knowledge sharing (McNeish and Mann, 2010). Consequently, trust is an important element in the process of senior leaders involving family members in the business and passing on their knowledge of the business to them. The following quotes illustrate how knowledge sharing based on trust occurs in Iranian family businesses.

> *"We wanted to involve the children of family members and to: 1) transfer our experience to the young generation, 2) train an administrative arm for ourselves in the business. Based on the training and the ownership feelings based on the share they had."*
>
> CEO, Second Generation Family member, Company A

> *"My father asked me to work in the factory to understand the atmosphere and the problems with production and machinery that a manager may face in the business. My father always says you should learn the workers' jobs."*
>
> MD, Involved second generation family member, Company D

The next sub-section will explain how sustaining trust in the family business can reduce resistance to change among family members, especially among the senior generation.

6.4.2 Reducing resistance to change

This research has identified that lack of trust increases conflict among family members, thereby resulting in delayed and bad decisions. Trust facilitates quick and effective decision making because stakeholders are less concerned about defending their positions or protecting personal interests (Sundaramurthy, 2008). Instead of going through the layers of decision making (in public companies), based on the trust that exists among family members, decisions can be made on the spot, to take advantage of good opportunities (Carlock and Ward, 2010). Therefore, trust enables family businesses to make quicker decisions and reduces the conflicts caused by environmental impact and change, as is demonstrated by the following quotes.

> *"...I (senior managers) might ask them about their (other family members) ideas about major decisions regarding the business. They*

propose their ideas but at the end they leave the decision making to us..."

MD, Involved second generation family member, Company F

"I might get angry about my son's opinions, After I calm down then I think and I feel happy as I believe that different ideas and opposite ideas create changes."

MD, Involved second generation family member, Company C

"...A combination of new ideas from the young generation and the experience from the older generation is the key to success in family businesses. There is a big need for change and the old generation has to accept that and ask about the new generation's ideas and opinions and trust the new generation."

MD, Involved second generation family member, Company E

6.4.3 Family Involvement

Another finding of this research is that strong trust among family members enhances their involvement in the business. Senior managers in family businesses value family members' involvement in the business because it helps the business. According to Sundaramurthy (2008), family members' involvement increases in the presence of family trust. The following quotes indicate that a high level of trust at different levels motivates the children to enter into the business.

"I might say, there needed to be a trustworthy person in the sales department close to the owner and management as it was the heart of the company but the people there were never told or maybe I was looking for a job and put myself forward. It did not make a big difference for me where I joined. "

MD, Involved second generation family member, Company B

"Children should feel that they are important for the family business so they join the business. It increases their motivation and increases their enthusiasm."

CEO, Involved second generation family member, Company A

His high level of trust and good reputation in the business is a kind of encouragement for me to join the business.

MD, Involved second generation family member, Company D

One of the benefits of sustaining trust in family businesses is that family members become motivated to join the business and develop participative commitment, as will be discussed in the next section.

6.5 Connection between participative commitment and family trust

As has been discussed in this chapter, family trust is a major theme extracted from the data of this research. The relationship between participative commitment and family trust will now be explained in more detail.

According to the findings of this research, one of the most important competitive advantages of family businesses is trust among family members. Building and sustaining trust is required for the continuity of family businesses. Committed family members should participate in developing and maintaining trust in order to keep the family business healthy and avoid unnecessary conflicts that could reduce its sustainability (Sundaramurthy, 2008). Therefore, participative commitment expresses family members' commitment to and active participation in building and maintaining family trust.

Communication is an important element of building and maintaining the trust that is needed between founders and family members in order to have a successful family business through generations. Good communication, involving sharing information and experience with the next generation, promotes strong relationships among family members (Gersick et al., 1997; Dyck et al., 2002). Accordingly, committed family members engage in transferring knowledge of the business to each other (Sundaramurthy, 2008). This research identified family visits, family meetings and board meetings as the main methods of communication in the participating Iranian family businesses.

Based on the data from family members whose businesses had survived into the third generation, open disclosure and transparency emerge as important factors in building trust and supporting sustainability of family businesses. The data suggest that committed family members fully expose and discuss matters regarding payments, dividends and investment. Meanwhile, the data also indicate that money issues and lack of transparency are the main sources of conflict between family members, eroding trust between them (Sundaramurthy, 2008). Therefore, participative commitment based on transparency supports sustainability of family businesses by enhancing family trust.

6.6 Summary

As explained in Chapter 4 and earlier in this chapter, this research identified three themes as part of a model for a continuous process of continuity for family businesses. As discussed throughout the chapter, the second theme, family trust, plays an important role in the continuity of family businesses. According to the data, trust should be supported through the generations of the family in order to achieve sustainability of their business.

This chapter explained the nature of trust building in Iranian family businesses and its necessity for transition of family businesses to the next generation, based on the different views of participants.

Sustaining trust in family businesses encompasses the values of stability, trustworthiness, and long-range orientation that private businesses can provide (Sundaramurthy, 2008). Trust enables cooperation, promotes network relationships; reduces harmful conflict; decreases transaction costs;

and facilitates the effective functioning of groups and effective responses to crises (Rousseau et al., 1998). A business family creates trust by working together to plan, or to solve a difficult problem, or by developing and applying family rules in a fair and just manner.

As mentioned earlier, trust is a critical source of competitive advantage for family firms and yet the initial trust embedded in the family firm is often damaged by conflict and turmoil; hence, understanding how this resource can be sustained and nourished is significant. In particular, openness to outside influences, clear and transparent rules and policies, strong communication, respecting challenges, have been discussed as significant elements of the 'sustaining trust mechanism'.

Finally, this chapter explained the benefits of sustaining trust and the connections between participative commitment and family trust. The next chapter will discuss the third theme of this research, namely 'Family Integration'.

Chapter 7: Family integration

7.1 Introduction

As explained in Chapter 4, this thesis considers the sustainability of family businesses as a continuous process. Three main themes emerged in the search conducted by this thesis for a family business sustainability model. 'Sustaining Governance' was explained in chapter 5 and 'Family Trust' was discussed in chapter 6. Therefore this chapter will expand on 'family integration' as the third theme of this research supporting continuity of family businesses, with a focus on Iranian family businesses as my main area of interest.

According to the findings of this research good family relationships and family integration are very important to the continuity of family businesses. It is unrealistic for the family to expect that siblings or cousins who have had a troubled relationship will suddenly work together for the good of the family and business (Bowman, 1996). One of the most important responsibilities of senior family and management in the succession process is creating structures to support positive relationships among family members and their commitment and involvement in the family business (Carlock and Ward, 2010). Furthermore, family members depend on one another for their mutual success, financial and otherwise (McCollom, 1992). The importance of family unity to the continuity of family businesses is reflected in the following comments by family members.

> *"I love to work with the family, we will keep this unity within the family, maybe less than our uncles but we will keep it between cousins as I see it now."*
>
> Non-Involved third generation family member, Company A

> *"One of the main reasons for the success of our family business is the close family relationship that the brothers have. They support*

everybody and the family. And they start everything together so this brings more confidence for doing business."

Non-Involved third generation family member, Company A

As discussed in chapter 5 (5.2), the survival of family firms depends on the involvement of next generation family members. Whether as employees or owners, their commitment and willingness is the key to the continuity of the family firm. The involvement of family members changes the structure of ownership in family businesses (Sharma, Chrisman and Chua, 2003; Gersick et al. 1997), and scholars have dedicated considerable attention to ownership transition in family businesses (Handler, 1994). This chapter will deal with matters relating to the ownership structure of family businesses.

Understanding the relationship between family members and the family business is the key to explaining motivation and commitment in the next generation of owners. Therefore, given the importance of the next generation's attitude toward involvement in the family firm, there is a need to evaluate their relationship with the family business, and to understand better what shapes these attitudes (Sharma, 2004). As noted by Wilson et al. (2013), firm demographics—size, age, and industry—as well as board characteristics can influence firm survival. Le Breton-Miller and Miller (2013) argue that the nature of family participation in the business at the different stages of its evolutionary life cycle has an effect on the integrity of family members and the business. Specifically, it is a question of whether the firm is a founder owned and run business, is owned and managed by multiple family members after the founder has left, or whether it is run by cousins and multiple generations from different branches of the family (Gersick, Davis, McCollum, & Lansberg, 1997). Each of these evolutionary stages has typical firm and family characteristics that influence the priorities of family members owning and running the business (Le Breton-Miller and Miller 2013). The nature of ownership is relevant to family integration and therefore to family business continuity.

Commitment to the family business among next generation family members has emerged as one of the key factors in effective and smooth leadership succession (Sharma & Irving, 2005). This chapter argues that commitment and willingness in terms of being a vital part of taking a successful family business into the next generation can be linked back to the psychology of the relationship between the individual and the family business system, consisting of family, business and ownership.

Understanding how interest and commitment toward the family firm are formed in the next generation is important because it will generate applicable knowledge about how the bond can be strengthened. Chrisman et al. (1998) found that the most important attributes for successors were integrity and commitment to the business as opposed to gender or birth order. Therefore, 'Emotional Ownership' is the term this thesis uses to define the motives and activities that integrate family members, supporting and guiding them throughout their lives from childhood (Le Breton-Miller and Miller, 2013). Parents and senior family members, especially the founder in relation to the second generation, play the most important roles here (Carlock and Ward, 2010).

This chapter categorises the purposes of involvement into monetary and non-monetary motives, to illustrate how family members become involved and how their commitment in the family business is built. First, this chapter provides an overview of monetary motives among the next generation for involvement in the business. Second, this chapter examines emotional ownership as a key non-monetary factor that increases involvement and commitment among the next generation and therefore enhances family integration. As mentioned earlier, the purpose of involvement affects the integration of family firms and therefore affects their sustainability. This chapter will begin by explaining the purpose of involvement to understand how it can affect the integration of family members.

7.2 Purpose of involvement

Additionally the survival of family firms depends on the involvement and presence of next generation family members. The next generation's commitment and willingness is the key to continuity of the family firm for the owner or employee (Björnberg and Nicholson 2012, P.1). This research revealed that second generation family members involve into the business for a variety of reasons. As discussed in chapter 5 (5.2.1), this research identified trust in family members, inheriting shares and ownership, motivation, stock gifting, job opportunity, father asking, market growth, business need, father figure, family reputation and respect as important factors that motivate family members to involve into the business. Furthermore, as mentioned earlier in this chapter, the purpose of involvement has a significant effect on family members' commitment and participation, which are important factors in sustainability of family businesses (Ward, 2004).

Having categorised purpose of involvement of family members into monetary and non-monetary motives, the effects of these different purposes on the ownership of family businesses and consequently on the businesses' sustainability will now be discussed.

7.2.1 Monetary

According to the data of this research, some of the interviewed third generation family members joined the business for monetary reasons. These family members saw their family's business as a better and quicker place for their personal financial development; therefore, having considered other options, they decided to join the family business. However, the data of this research indicated that hardly any of the second generation family members joined the business for monetary reasons. Carlock and Ward (2010) indicated that second generation family members mostly join the business for non-monetary reasons as they have been exposed to the business early in their lives. The following quote reflects the view of a third generation member who joined for monetary reasons.

> *The most important factor in the world is Money. I have great enthusiasm for making money. I felt that my father had experience and could back me up and I felt if I decided to start another job I would have to make sacrifices, spending lots of time and money. I did an analysis for myself when I wanted to decide. But I did not have special interest in manufacturing or this business. For me the most important thing is to earn enough money.*
>
> MD, Involved third generation family member, Company C

7.2.2 Non-monetary

The author identified several different non-monetary reasons for family members' involvement in the business from analysis of the data. These reasons were important as they motivated the family members to involve into the business and affected their commitment to the business. On the other side, lack of such motives put the continuity of the family business in danger. Björnberg and Nicholson (2012) indicate that non-financial motives are important factors supporting the integrity of family members and hence are emotional drivers of family business continuity. Therefore, this research focuses on non-monetary motives.

i) Economic growth and needs

Growth in the economy and of the business was one of the main reasons for family businesses needing their family members to be involved in the business. Involvement based on growth in the economy has been addressed by Carlock and Ward (2010). The Iranian government began to focus on industrial development after the end of the Persian Gulf War in 1987. Consequently, businesses started to grow very fast and a need arose for family members to become involved in their families' businesses. Meanwhile, the population of Iran was also growing (in the 1990s the population exceeded 60 million, more than half of whom were aged 15 to 34 years) (Statistical Centre of Iran, 2014). Therefore, there were many new generation family members available to join the family businesses. The following quotes indicate that family members joined the business at times when the economy was growing.

> *"There was no specific structure or governance. We joined the business as the business was growing and we had enthusiasm as family members to follow our father's business"*
>
> MD, Involved second generation family member, Company D

> *"...We are growing fast and we are trying to open our second factory. We do invest in Production machinery a lot and bring new European machinery into our industry as we expect the labour force will cost a lot in the next 5 to 10 years."*
>
> MD, Involved second generation family member, Company D

> *"We started 30 years ago. We started from the Aluminium service sector of coating the aluminium profiles. My uncle and I were Partners in the Initial business but after a while my uncle wanted to go away from the business, although I did not agree, I had to accept that. "*
>
> CEO, Involved first generation family member, Company G

> *"In those days as the company was growing, father rented the next office so the finance department moved to the new office and sales department, import/export department and the managing director's office remained in the same place but the sales department became bigger."*
>
> MD, Involved second generation family member, Company B

> *"It was in the period of development, in the past, it was what everybody calls one of the best economic periods that the country has had (1990-2000)."*
>
> CEO, Second Generation Family member, Company C

ii) Business career

The data suggested that family members joined the business to follow their careers as they needed to work. Family business careers provide a special set of opportunities, rewards and challenges. Most people never see their family members at work or directly share their career accomplishments. Working side by side with family members, sharing success and overcoming challenges builds a special emotional bond (Ward, 2004). The following quotes reflect family members' need to start their careers.

> *"...Family members join the business as they need to work. But they work in the business more committed..."*
>
> MD, Involved second generation family member, Company B

> *"...I was looking for a job and after considering the family business's positive and negative points, I then decided to join the family business as I feel more commitment to it as well."*
>
> MD, Involved third generation family member, Company C

iii) Emotional Ownership

The researcher also identified non-monetary reasons that indicated some sort of powerful emotional draw toward the family business among family members. For instance, a father figure, family reputation, trust, respect, and the family brand name are among the non-monetary motives that draw family members to the business. Le Breton-Miller and Miller (2014) explain that family firms are motivated by factors other than financial objectives, whilst Björnberg and Nicholson (2012) refer to non-monetary motives for joining the family business as Emotional ownership. Moreover, Gomez-Mejia et al. (2011) summarise that such as patriarchal duty, altruism, and pride, desire for family harmony, political power, status, and control over wealth are all potential non-financial reasons for involvement. Emotional ownership will be discussed in detail later in this chapter (7.4.3). The following quotes reflect that family members in the participating firms became involved into the business based on non-monetary motives.

> *"Not everything is for money, we do not stick to our personal benefit all the time, and we evaluate and empower and motivate other family members."*
>
> CEO, Second Generation Family member, Company A

> *"...Our father taught us that money is not everything..."*
>
> MD, Involved second generation family member, Company B

> *"I am doing this not for money; I mean I am in the position of doing this as a top level manager in this industry, which is a prestigious position, and I've never thought I might be involved in this one day. It is a kind of prestigious social level in this industry."*
>
> CEO, Second Generation Family member, Company C

The next section discusses the family first environment, a factor that has a major impact on the integrity of family members involved in the family businesses.

7.3 Family first environment

This research has come to the understanding that in the early stages of family businesses, especially at the owner-manager stage of a family firm, the business is paramount. Everybody in the family has to make the business their top priority; otherwise their level of commitment comes under question. This means that the loyalty of family members is judged according to their involvement in the business (Ward, 2004). Therefore, during this early stage, supporting the business is the central purpose of the family members and this focus increases the level of involvement and commitment. This notion also may be passed on to the next generation. The following quotes help us to understand that the business is the centre of the universe for the first generation.

> *"Our fathers worked hard and made the infrastructure of the family business so we have to follow it up."*
>
> MD, Involved second generation family member, Company E

> *"My father has been working so hard during his working years, with minimum facilities, which were hard and valuable experiences, so he could see what we couldn't see."*
>
> MD, Involved second generation family member, Company D

The data of this research indicate, however, that successful business families do not always talk about the business, but also social activities play a role in enhancing relationships, friendship and the flow of communication among family members, which in turn enhances family integration. Family members need to spend social time together and it is best to leave business concerns totally out of these family occasions. This helps to create effective boundaries between the family and business, which is very important for strengthening family relationships and enhancing family integrity (Ward 2004). Such social events, kept separate from the business, will increase communication and strengthen relationships and friendships among family members, which will enhance the level of involvement and commitment in the family business. This notion is supported by the following data.

> *"My father always said that when a man comes home he should leave all the work and outside problems behind the door and take them up again in the morning when he is going out. He also used to say 'home should have a different atmosphere, it should have its privacy, and you should be happy and should not bring the business issues inside the family'".*
>
> MD, Involved second generation family member, Company F

The findings of this research support that a family first environment increases family integration and thereby increases the family's commitment to the business. The level of forgiveness (to be discussed later) may decrease in the absence of such an environment. Although a business first environment may increase the level of involvement for a period, its negative impacts create conflict in the second generation. The family needs to understand that protecting the family is more important than the business. This means that the more family members there are and the more hours they work in the business, the more their family relationships will be damaged by conflicts (Ward, 2004). Consequently, family members should understand that the business is not the family; the family is the family, and the more integrated the family, the better the chances of survival for the family and the business.

> *"Saving the family will save the business so keeping family relationships is vital in keeping the business."*
>
> MD, Involved third generation family member, Company A
>
> *"We have a very close family relationship between family members. We see each other every week and gather together with elderly family members every week, which is a kind of family gathering...My uncles and my father invited family members every Thursday as a family gathering. Our homes are so close together in one alley in Shiraz. We grew up together with my cousins. The family members are closer than family business members. They tried to keep this in the business as well. We are so close we even go on holiday together with my uncles and cousins. So everybody knows that."*
>
> Non-Involved third generation family member, Company A

The data of this research imply that senior family members should show other family members how to build family unity, family closeness, family relationship, mutual respect and integrity. This can happen during childhood and board meetings and family meetings. Family members in one of the successful businesses that participated in this research indicated that their good family relationships are supported and informed by senior members. Children learn by example, from the basic lessons of honesty, responsibility, work ethic and integrity that their parents teach (Carlock and Ward 2010). The following quotes demonstrate how family members learn family integration from their parents and through family meetings.

> *"My parents taught us to be friends and brothers to each other and not to compete with each other "*.
>
> MD, Involved second generation family member, Company E

> *"...But at the end we are working together in the same industry, supporting each other regarding the market, suppliers and so on. Even if we do not agree regarding a situation or about running the business, we do sit together, speak about it and challenge, to get the final decision. That decision will be mandatory for the managing director. "*
>
> MD, Involved second generation family member, Company F

> *"...under the management of the founder, some of the disagreements are resolved by meetings, speaking and coming to an agreement on resolving an issue."*
>
> MD, Involved second generation family member, Company B

The following section will explain the role of parents in implanting non-monetary motives in family members from childhood.

7.4 Role of Parenting in Family Integration

This section touches on the participants' opinions around the effect of parents on the next generation's attachment or detachment, and their identification with the firm, in terms of closeness-distance. The findings of this research suggest that the parents play a central role in their children's upbringing regarding developing family integration. The close attachment between children and their parents leads to the children's identification with the family business and increases feelings of ownership in the family business (Le Breton and Miller, 2014). Furthermore, it is believed that if parents prepare their children for ownership, it also enables them to take steps to avoid potential conflicts among members, as parents' lessons infuse every aspect of ownership in the family business (Ward, 2004). Therefore, parents need to prepare their children to become responsible and committed supporters of the family, and business integrity and sustainability.

7.4.1 Preparing Responsible Owners

The data of this research indicate that the senior family members should teach family members in order to build family integration. According to the findings of this research, developing non-monetary motives such as family unity, family closeness, family relationships, mutual respect and integrity, trust, healthy attitudes toward wealth, forgiveness, mutual respect and respect for the father figure in society (social identity) are important to family integrity and therefore to continuity of the family firm.

One of the senior owner-managers noted that parents should prepare their children to be good members of society and of their family. An important factor of success for business families is education and personal development of family members. Many successful families believe that a knowledgeable and well-informed family group is an asset that contributes to the family's effectiveness and ability to work together. According to Carlock and Ward (2010), children learn by example, from basic lessons from their parents, in honesty, responsibility, work ethic and integrity. There is no reason for the parents' philosophy to change as they begin to prepare their children for entry into the family business. The ethics of childhood should comfortably extend into the ethics of owning and managing a business (Carlock and Ward, 2010). Le Breton-Miller and Miller (2014) indicate that parents need to implant these non-monetary motives in their children in order to prepare them for ownership of the company. The following quotes indicate the parents' role in developing this non-monetary form of responsibility among family members.

"Wife and husband have a significant role in the other partner's success."

CEO, Involved second generation family member, Company C

"As I explained before, the success in a family business comes from the family having a warm family focus. The wife and husband feel that they can play a significant role in the other partner's success."

CEO, Involved second generation family member, Company C

"Sometimes, conflicts between mother and father in the family create a negative image about the father's business in the minds of children. I mean that if the parents have close hearts it does have a positive impact on children and even on creating a positive image about the life and the business."

CEO, Involved second generation family member, Company C

"...one of the main, key factors in sustaining a family business is to add motivated family members into the family business and this only happens if parents have created a motivational infrastructure from the past among the children in the family."

CEO, Involved second generation family member, Company C

"My mother had a great role in creating the top role and position of our father in our minds."

MD, Involved second generation family member, Company B

"...We should consider the role of mothers in this development and success. My mother was working hard to support my father; she was saving costs and supporting my father and the children so my dad could work outside without any problem inside the home. The way they do this is kind of sacrificing for their family and their lives".

MD, Involved second generation family member, Company D

"Our father's position was special, as my mother taught us, on one hand; on the other hand, we love him as our father who provided us with our needs and comfort."

MD, Involved second generation family member, Company B

"I learnt the business alphabet inside my family when I was young, not in classes. Engineering helped me in the business a lot as it might help any person in his field to know the job or situation better."

CEO, Second Generation Family member, Company C

"Our father taught us that money is not everything..."

MD, Involved second generation family member, Company B

"Actually my mother has had a great role in teaching us good morals, religion, and moral stuff and cultural stuff. She taught us to love each other, support each other and always be integrated with each other."

MD, Involved second generation family member, Company B

7.4.2 Understanding wealth

There were complaints in this research, from senior family member interviewees, that the younger generation do not understand the value of money. They also claimed that unreasonable monetary expectations cause conflicts and ruin family relationships. Ward (2004) indicated that living wastefully puts the family and the business in danger. The following quotes indicate senior family members' concerns about their children's spending and how their expectations could damage family integration.

"Our children have grown up in the maximum comfort we could give them, so we don't think they know the value of money. For example, my child bought a pair shoes for 500000 Toman and he does not

know that a worker's income for 1 month's work is 500000 Toman, and he has to run a family as well with this money."

CEO, Involved First generation family member, Company D

"... I want to add that too much welfare for family members is not good for the family business, family members should experience hard situations and so become strong enough for the business and the family. Too much giving is not good for family or business. My brother is not willing to work with the family and always expects my father to send him money and support his high living costs. If my father cannot not send him money then my brother gets angry and it annoys my father."

MD, Involved second generation family member, Company B

Understanding the value of money was one of the most important lessons that senior family members expect family members to learn. The data present that successful family businesses teach their family members modesty and make them work up from the bottom, in order that they understand the value of money and that they should work for it. According to Carlock and Ward (2010), wealthy family members can either live wastefully or they can learn the value of money and how to spend it. Family members who understand the value of money do not consume their wealth as fast as they create it. In addition, teaching family members in Iranian family businesses the value of money will result in fewer conflicts.

"Even take the good facilities away from him so he understands that he needs to try and work hard to get and find something in his life. It's like you provide him with everything, he came into the business educated in a related course as well but if he is not strong enough, he can easily crack in a tough situation and lose. There is a famous phrase saying 'between the hard situation and hard people, there are hard people (Hard working) who can survive, the hard situation will pass'."

CEO, Involved second generation family member, Company C

"...I mean that you should put your child in tough situations purposely; it's the real love because you are preparing him."

CEO, Second Generation Family member, Company C

The findings of this research indicate that family members who work in the business have a better understanding of wealth compared to those members who are not involved in the business. People who are more interested in the business are more interested in work and less in consuming. Saving and farsightedness are not just taught at home; they are practised. If family members do not practise the concept of understated wealth, the salaries of family members in the business can deteriorate very fast, which may finally compromise the business (Ward, 2004). Furthermore, according to Carlock and Ward (2010), children who learn the value of money usually become better owners and better workers, because they do not see money or wealth as the only goal. Founders in the first generation of some Iranian family businesses make their children start work from the bottom level of the company, not only to learn the job, but also to understand the value of money. Therefore, families who teach their children the value of money are preparing them to be more capable owners, which will support sustainability of the family business. The following quotes indicate the importance attached by Iranian family businesses to understanding wealth.

"I started doing inventory stuff, in a data entry job, and giving the stuff to the other lady for sales."

MD, Involved second generation family member, Company B

"...when we were in Tehran, my father sent my brother and I into the Bazaar to work for one of my father's friends, on his staff. My father sent us there to learn the market and business, that experience was a valuable experience for us as we worked there as staff, washing, cleaning or going to the bank, etc. Of course we had more respect compared to normal staff, that experience was very good for us."

MD, Involved second generation family member, Company B

> *"My father sent us to work for one of his friends outside the business. He was a tough guy and asked us to work a lot. One day my father came to visit his friend while I was working there, he asked me to wash the dishes and bring tea while my father was there. I got angry on that day but years later I found that my father asked his close friend to prepare us and educate us to understand the value of work and money."*

MD, Involved second generation family member, Company D

The next part will address 'Emotional Ownership' as a non-monetary element which enhances family integration and therefore sustainability of family businesses.

7.4.3 Emotional ownership

This research found that non-monetary motives provide a sophisticated level of commitment to family businesses. Involvement based on non-monetary motives increases the level of commitment in organisations (Meyer and Allen, 1991). Björnberg and Nicholson (2012) termed involvement based on this kind of motive 'Emotional Ownership'. They define emotional ownership as belongingness and attachment beyond the monetary significance of the ownership bond, in which the family play a central role. Additionally emotional ownership is a sense of self that extends from family membership to include belongingness to the family business. It builds on a history and a shared meaning that family members acquire from being brought up in a family business environment (Björnberg and Nicholson, 2012). The following quotes illustrate how emotional ownership among Iranian family members enhances family Integrity.

> *"...We work to keep the family name and we work to keep our brand as our name. I work to keep my father's flag."*

MD, Involved second generation family member, Company D

"Keep the name of the person who tried hard and did so much to raise a family and a business and bring credit to the family."

MD, Involved second generation family member, Company F

As discussed earlier in this chapter (7.2.2), the author identified that non-monetary motives have a major impact on the involvement and commitment of family members and therefore on the ownership of the company. The next section will discuss the six most important of these motives based on the interviewees' comments, starting with 'forgiveness'.

7.4.3.1 Forgiveness

During the interviews, many of the participants talked about forgiveness as an important factor in resolving conflicts among family members. The participants also mentioned that forgiveness enables family members to resolve issues more easily and to prevent such issues from escalating and potentially damaging family relationships. Such forgiveness applies even to monetary conflicts among family members. Furthermore, it was mentioned by first, second and third generation members as the most important element in the sustainability of family businesses, and was the aspect most often referred to in this respect. As the researcher did not encounter this motive in other literature on family businesses, the current research's finding on the importance of this non-monetary factor in maintaining the unity of family businesses and thereby supporting their sustainability is a contribution to research knowledge. The following quotes reflect the importance of the forgiveness factor.

"...Forbearance is very important. We forbear to keep the family united..."

CEO, Second Generation Family member, Company A

"To be honest, there have been lots of disagreements and hurt has remained in my mind about the children's disagreements but I do resolve them in time by forgiving the children."

CEO, Involved first generation family member (Founder), Company B

"We resolve our issues between ourselves and forgiveness is the most important thing between family members."

CEO, Involved first generation family member, Company G

"We resolve the issues by speaking together about it and by closing our eyes and forgiving"

MD, Involved third generation family member, Company A

7.4.3.2 Legacy of values

Some of the interviewed family businesses stressed the value of family integration, as was reflected by parents constantly urging young family members to maintain family unity. This is a value held in common by family members that is then reflected in the business. According to Carlock and Ward (2010), family values are passed on into the business, showing to the next generation the value to the business of behaviours such as honesty, integrity, and respect. The passing on of these family values to the next generation increases integrity among family members, and consequently supports family business sustainability. The following quotes indicate the importance of such values to Iranian family businesses.

"We did try to keep the customers happy as well as it was based on our business values and it was a matter of honour for my family. If we had an unhappy customer, to me it was a bad thing for my family name. Our family name was so important for me so I was trying hard to satisfy customers in order to keep the family brand name."

MD, Involved second generation family member, Company B

"In our family it is important that the money should be good and clean money so we call it 'HALAL'. So the money we earn should come from Halal sources or from Halal work. This is one of our family values. "

MD, Involved second generation family member, Company D

7.4.3.3 Respect

Most family members, during the interviews, mentioned respect as another important non-monetary motive in terms of supporting family integration and therefore sustainability of the business. Accordingly, a high level of respect is observed among family members, especially towards elderly people. Furthermore, mutual respect among family members, respect for elderly people and senior managers emerged as a major factor in reducing conflicts, as has been indicated by Dyck et al. (2002). Ward (2004) also alluded to the importance of respect in relation to resolving family issues. Moreover, trust and mutual respect between incumbent and successor are necessary for the continuity process to be successful (Dyck et al., 2002). Therefore, respect is identified as one of the most important values in supporting the integrity of family businesses, thereby promoting the continuity of family businesses. The following quotes represent the importance of respect to the continuity of family businesses in Iran.

"There is strong respect for elderly people so definitely there are strong cultural ties, the other thing is the younger members respect the brothers' and elderly family members' experience."

Manager, Involved second generation family member, Company G

"I would say, without respect, such unresolved disagreements could have been critical and dangerous for the business, which could have stopped the growth and even the operations of the family business. As the members ignored it and it passed by it is no longer critical."

MD, Involved second generation family member, Company B

"In our family culture we raise the children to respect their elders and trust each other and the business and we have not had any problems so far."

CEO, Involved Second generation family member, Company A

7.4.3.4 Close family relationships

According to the family members, 'close family relationships' were one of the key factors in supporting family involvement and family integrity and sustainability. Attachment is the fundamental criterion that shapes family business members' relationships. Attachment depends on closeness-distance as an indicator of relationship quality (Bowlby, 1980). Close family relationships have been linked to high levels of work life satisfaction (Hazan & Shaver, 1990); however, their absence is related to lower levels of organisational commitment as well as to a higher intention to quit (Mikulincer & Shaver, 2005). Creating sustaining relationships among family members increases the chances of survival for family businesses (Cennamo, Berrone, Cruz & Gomez-Mejia, 2012). Additionally, family members see such close relationships as belongingness to the family business, which increases family involvement and family integration (Bjornberg and Nicholson, 2012; Le Breton-Miller and Miller, 2013). The data indicate that in Iranian culture senior family members are the people most capable of building and enhancing such relationships, as all family members respect them. Therefore, close family relationships have substantial impact on family members' involvement in and commitment to the family business and hence on its continuity, as is reflected by the following quotes.

"What I see and what outside people tell me is that 'the close Family relationships between my father and uncles caused the business's growth'. They learnt to run the business together when they were young (Father and uncles)."

Non-involved third generation family member, Company A

"...As I explained before, success in a family business comes from the family having a warm family focus. The wife and husband feel that they can play a significant role in the other partner's success. In Iran the business should discuss things in the family from the beginning as discussed before. "

CEO, Involved second generation family member, Company C

"Children should feel that they are important; so they join the business. It increases their motivation and increases their enthusiasm for the family and business."

CEO, Second Generation Family member, Company A

7.4.3.5 Social Identification and family reputation (Father Figure)

During the data analysis, the author found that the father's (senior owner-manager) good reputation, his social position and business position in the industry is important for getting young members involved in the business. His social reputation creates the family name brand in the society and industry. It engenders pride among young family members, which they will try to protect by joining the business and working hard in the business. Social identification is defined as 'belongingness to some human aggregate' (Ashforth & Mael, 1989). Social identification reflects the extent to which family members appreciate the family business to which they belong. Organisational identification is regarded as a specific form of social identification that is essential to the success of many organisations (Pratt, 1998). Furthermore, strong organisational identification entails enhanced commitment, satisfaction, job involvement, organisational loyalty, work group attachment, whilst a low level of identification can have the negative impact of causing individuals to leave the organisation (Riketta, 2005; Riketta & Van Dick, 2005). Therefore, the father figure or the father's social reputation creates a positive social identity for the family so that family members willingly involve into and become heavily commit to the business. The following quotes reflect the important role that the father's reputation plays in supporting family members' involvement and family integrity, which then supports the survival of Iranian family businesses into the second generation.

> *"...So I can say now that I am one of the experienced major heads in the packing industry in Iran. In the packing association I was elected as its inspector for two periods. My older son did not like this business at first but when he saw me with others in the association and with important business heads in the field he found out that his father is well-known in the industry as a credible man."*
>
> CEO, Involved second generation family member, Company C

> *"The other factor is the father's social position and business position among others. When the child sees that his father is successful and on the other hand has a good reputation among others in the business it has a positive impact on the child, rather than seeing that he does not have a good outside reputation. When he sees that his father has a good reputation in the business it motivates him to follow him."*
>
> CEO, Involved second generation family member, Company C

> *"...I had to join my father's job because of my father's request and to keep his family name and credit, gains, properties"*
>
> CEO, Involved second generation family member, Company C

> *"This perspective was so important for me. I do admire my father so much; he is one of the most famous and oldest people in the chocolate industry."*
>
> MD, Involved second generation family member, Company D

> *"My father, as an entrepreneurial man, is the head of the family and is a reference in the business as well. The whole of Iran, in this business, admires my father, why shouldn't I? Whoever has a problem comes and consults with him, even in the business. His high level of*

trustworthiness and good reputation in the business is a kind of encouragement for me to join the business. "

MD, Involved second generation family member, Company D

"The brand is the reputation of the family so I work harder to find good raw materials for this brand compared to other non-family members in the same position, as they might get tired of finding good raw materials or just get their income from the business."

CEO, Involved second generation family member, Company C

"I did an analysis for myself when I wanted to decide. But I did not have special interest in manufacturing or this business. For me the most important thing is to earn enough money. As I saw that my father's business is growing I wanted to be part of it and join the business, so I did, and was able to create a position for myself in the business."

MD, Involved third generation family member, Company C

7.4.3.6 Pride

Another finding of this research indicates that young family members join the family business as they are proud of their family, and proud to support their family, their business and their father. It is indicated by Le Breton-Miller and Miller's research (2013) that pride in the family and business increases involvement and results in commitment. Therefore, pride supports the continuity of the family business by increasing the level of involvement and commitment to the business. The following quotes from the interviews illustrate the importance of pride to emotional ownership.

"To my idea a father like my father and a son like me are necessary for successful transition of a business to the next generation, so the most important thing is pride, and knowing the value of the family and business and being willing to continue the business."

MD, Involved second generation family member, Company D

"...The family absorption (persistence, gravity), guided and pushed me this way, which was much stronger than my education, although I think I had better opportunities, money and future the other way. This was a kind of Honour, Zeal, and Ardour for the family that rerouted me to the family business and I do recommend the same to my children."

MD, Involved second generation family member, Company C

"It was a kind of honour for me to join the family business as father has had a unique and special position in our family. So I was proud to join the business to support him."

MD, Involved second generation family member, Company B

The following section summarises family members' motives for involvement in the family business and discusses their connection with family integration and participative commitment.

7.5 Connection between participative commitment and family integration

The third theme derived from the data of this research is 'family integration'. It indicates that participation of family members in the business should be based more on non-monetary motives, in order to support the family firm's evolution and sustainability process. This chapter defined monetary and non-monetary purposes of involvement among family members, focusing in particular on non-monetary motives. The chapter discussed the sophisticated level of commitment and attachment that family members acquire in terms of giving something of themselves to support the business and deriving from a sense of belonging to the business.

This research has arrived at the understanding that the role of parents in bringing up their children is very important in creating this feeling of attachment to the family firm. According to Ward (2004), parents' lessons infuse every aspect of ownership in the family business. The feeling of attachment to the business creates a certain level of identification among new family members which increases their involvement and active participation in the business.

The findings of this research indicate that commitment and participation are supported under family integration. This chapter argued that non-monetary motives are the main components of family integration. Family elders teach younger members the value of money and how to protect the family business assets. They teach and expect a high level of mutual respect from younger members. They also encourage the formation of close family relationships in order to reduce conflicts, and additionally they teach and expect mutual forgiveness when conflicts happen. Family reputation and family pride act as motives for family members to be involved in the business in order to protect the family brand name and support the family. These non-family motives exist among committed family members, thereby supporting their active participation and commitment and minimising conflicts. Participative commitment in turn supports emotional ownership commitment and family integration, which then support the sustaining process.

7.6 Summary

Based on the identification by this research of three themes that contribute to the model of survival for family businesses in Iran, (Sustaining Governance, Family Trust and Family Integration) this chapter discussed family integration as the third component of the continuity process introduced earlier, in chapter 4 (Figure 4.9).

This chapter discussed how family members depend on one another for mutual success, financial and otherwise. Families must recognise that the integration of successors within the family business is shaped by a combination of emotional motives.

As discussed in chapter 5 (5.2), the survival of family firms depends on the involvement and presence of next generation family members. Whether as employees or owners, the next generation family members' commitment and willingness is the key to the continuity of the family firm. Additionally, how family members relate to the family business explains the wider motivation and commitment in the next generation of family managers and owners. Furthermore, this chapter argued that the purpose of involvement has a significant effect on the commitment and integration of family members.

This chapter categorised the purpose of involvement of family members into monetary and non-monetary motives and explained how these motives affect the sustainability of family businesses. Non-monetary motives were focused on as they have the most important effect on the continuity process. This research also explained that economic growth, the family business as a career and emotional ownership are non-monetary motives which affect family members' involvement and family integration. Finally, the author discussed the various elements of emotional ownership that promote involvement in the business and create commitment and family integration, hence enhancing continuity of family businesses in Iran.

Chapter 8: Conclusion

8.1 Introduction

This research contributes to bridging the gap in the existing knowledge on sustainability of family businesses. It provides understanding that enables engagement with the theoretical processes underpinning transition. It is grounded in the context of Iranian family businesses, a field in which generational issues have not really been considered before. The research presents a model that contributes to both the existing literature and the practice for achieving sustainability of family business. Furthermore, this research provides understanding of the process of transition from the perspectives of different generations. It thereby enhances family businesses' knowledge of how to grow their business across generations.

The purpose of this chapter is to summarise the insights developed in the previous chapters relating to the nature of family businesses and how to sustain a family business into the next generation, thus explaining the contribution to knowledge of this thesis. First of all this chapter will highlight how this research answered the following research questions: 'what are the main areas of generational issues in family businesses?' and 'how can family firms overcome these generational issues in transition of business to the next generation?' Secondly, the chapter will present an overview of the contribution of this study to research and practice. The contribution to professional practice in terms of the author's personal reflection on the research journey will then be presented. Next the chapter will highlight the value of the research before finally providing the conclusion.

In both advanced and developing economies, the vast majority of business enterprises are family owned and together they account for most of the jobs created in the economy (Hisrich and Fulop, 1997; Danes et al., 2008; Astrachan and Jaskiewcz, 2008; Le- Breton Miller and Miller, 2014; La-Porta et al. 1999; Collins 2011; Carsrud and Brannback, 2012; Chua et al. 2003; Westhead and Howorth, 2006; Martinez et al., 2007). In addition, family firms generate about 40-45 percent of the Gross National Product (GNP) of North America, between 35 and 65 percent of the GNP of the EU member states, between 50 and 70 percent of the GNP of Latin America, and between 65 and 82 percent of the GNP of Asia (International Family Enterprise Research (IFERA, 2003). However, based on U.S. figures, only one third of family businesses survive into the second generation and about 10% to 15% can make it into the third generation (Rodriguez, 2009; Chua et al., 2003; Westhead and Howorth, 2006; Molly et al., 2010). Hence, based on the provided information, transition of family businesses to the next generation involves crises that threaten the sustainability of family firms.

Moreover, management research has devoted little attention to the complex issues of family businesses as an understudied topic (Ibrahim et al. 2001; Jaffe and Lane, 2004; Westhead and Howorth, 2006; Ward, 2004; Carlock and Ward, 2010; Sciascia and Mazzola, 2008). Overall, it may be concluded that business transfer in general, and family business succession more specifically, is one of the most difficult steps in the life cycle of family firms and as such it merits further investigation (Miller, Steier and Le Breton-Miller, 2003; Neubauer and Lank, 1998; Sonfield and Lussier, 2002; Sorenson, 2003; Ward, 2004).

Furthermore the literature has not fully explored cross-national differences in family firms (Karatas-Ozkan et al., 2011). This is especially true for family firms outside of Western Europe and North America (Collins, 2011) and there is a lack of discussion in the literature about the continuity of family businesses in Iran. To address these gaps, the study has examined the impact of these factors on Iranian family firms. Accordingly this research tried to answer the following research questions:

"What are the main areas where generational conflicts might exist among family businesses in Iran?"
"How could family businesses overcome multigenerational issues?"

A qualitative research approach was adopted to explore the research issues from the views of interviewees; and in order to obtain rich and detailed data, semi-structured interview was selected as the data collection method. The process of data collection started in June 2012 and finished in April 2014.

According to the literature, family businesses are very fertile ground for conflict and need to be dealt with in a planned and controlled manner to avoid potential pitfalls (Jaffe and Lane, 2004; Levsin, 1971; Goffee, 1996; Zahra and Sharma, 2004; and Carlock and Ward, 2010). Family issues play an important role in the management of family businesses. In the search for areas of conflicts in Iranian family businesses, the literature around these issues has been considered. The literature suggests various sources from which conflicts may arise. Meanwhile, Danes et al. (1999) categorised family business conflicts into five separate blocks: (i) justice conflict; (ii) role conflict; (iii) work/family; (iv) identity conflict; (v) succession conflict furthermore, Jehn (1997), on the other hand, categorises conflicts in family businesses according to three separate aspects: task, process, and relationship conflicts. Examples of such conflicts were identified as *Unbalanced family needs and business needs* (Donnelley, 1988; Ward 2004; Mustakallio, 2002; Pelled et al. 1999; Astrachan and Jaskiewicz, 2008; Cabrera-Suarez et al., 2001), *Rivalry among family members* (Ozkan et al., 2011; Sorenson, 2000; Levinson, 1971), *Founder's fear of losing control* (Massis et al., 2008; Lansberg, 1988; Handler, 1990; Cabrera-Suarez et al. 2001; Astrachan and Jaskiewicz, 2008), *Gender issues and rivalries* (Collins, 2011; Dumas, 1989; Cadieux et al. 2002; Ward, 2004), *Unclear Involvement structure* (Sorenson et al., 2004; Björnberg and Nicholson, 2012; Danes and Lee, 2004; Danes and Morgan, 2004; Green and Pryde, 1989; Ward, 2004; Collins, 2011), *Unclear compensation* (Carlock and Ward, 2010; Bjornberg and Nicholson, 2012), *Conflict among family and non-family members* (Jehn, 1997; Carlock and Ward 2010), *Identity conflict* (Carlock and Ward, 2010; Shulze and Lubatkin, 2003; Nordqvist, 2012; Cabrera-Suarez et al., 2001; Dyck et al., 2002), *Not all family members work in the business* (Carlock and Ward, 2010). Then, through other means, before starting data analysis I knew something about family business conflicts and what I was looking at was:

where and when do such conflicts arise? Therefore, the findings of the research and the literature guided me towards the areas of conflicts in Iranian family businesses.

The findings of this research identified that the main generational issues in Iranian family businesses are related to three different areas. These areas, categorised as *sustaining governance, family trust* and *family integration*, are included in the framework developed (Figure 4.10, P. 144). Issues such as family members' involvement, education, ownership, compensation, and leadership and investment policies were related to unclear planning, policies and leadership in family businesses, which were categorised under the *'Governance'* label (Figure 4.6, P.127). Meanwhile, issues such as lack of transparency, miscommunication, commitment and trust were categorised under the label *'Family trust'* (Figure 4.7, P.130). Other generational issues, including priority of the family or business, meaning of wealth for family members, purpose of involvement, parenting and ownership were categorised under the label of *'Family Integration'* (Figure 4.8, P.132). Therefore, this thesis answered the first research question by identifying governance, trust and integration as the main areas of generational conflicts among family businesses. These are new research areas that have not explicitly been identified in previous researches but must be considered as main areas of conflicts in family businesses.

Whilst areas such as planning, policies and commitment were explored by Carlock and Ward (2010), trust was explored by Sundaramurthy (2008), and ideas of emotional ownership were examined by Le-Breton Miller and Miller (2014), these areas were not explicitly identified as areas of conflicts obstructing continuity of family businesses. Consequently, this research adds to the literature and enriches existing ideas of previous researches by reframing them in three areas of conflict.

Furthermore, the findings of this research suggested how to consider and manage each area of conflict. For instance, the Idea of compensation emerged from the third generation family members, and did not show up among second generation respondents as they did not appear to have developed such a policy. Accordingly, relevant plans, policies and appropriate leadership were presented as issues related to the 'Governance' area (Chapter 5). Moreover, appropriate trust building activities, and actions to manage the conflicts were suggested to manage generational issues related to the 'Trust' area (Chapter 6). Then, suggestions were made regarding relevant education for family members on ownership and understanding wealth, holding appropriate family and business meetings and developing emotional ownership, to resolve issues related to the 'Family Integration' area (Chapter 7). For instance, The Idea of compensation came from the third generation family members. These ideas were not exposed by the second generation family members as they did not have some sort of policy or not been agreed on such a policy. In this way the research answered the second research question.

This research also identified participative commitment as a factor linking the derived three main themes in order to resolve the issues and support sustainability of family businesses. Further, the findings of this research resulted in the development of two different conceptual frameworks as family business sustainability models. These conceptual models were discussed in chapter 4 (Figures 4.9 and 4.10) and will be summarised later in this chapter. These models also answer the second research question and explain how to resolve the issues and sustain the family business to the next generation. The value of the research will be discussed next.

8.2 Value of the conceptual framework

The research explained the sustainability of family business as a continuous process that evolves as the family and business grow. According to Haag (2012), succession evolves as family members are socialised, engaged and trained through the daily activities of the family business. She suggests the idea of succession as a purpose in itself and a shift from "*taking over*" to "*being part*". This research not only confirms this finding but goes further in presenting the conceptual model of sustainability. Therefore, this research is building upon Haag's (2012) ideas, through the model presented in chapter 4 (Figure 4.10, p.144).

This research initially presented the circular conceptual model of family businesses continuity in chapter 4 (Figure 4.9, p.136). The model illustrates how the research derived three themes (Sustaining governance, Family trust, and Family integration) as areas of conflicts. These three areas should be considered in the form of a continuous process to resolve issues of conflict in order to support family business sustainability. Moreover, the role of participative commitment as the central element of the sustainability process is shown in the presented model. The components of the presented model (Figure 4.9, p.136) will now be reviewed.

i) Sustaining governance

The starting point of this process, after involvement, is sustaining governance. Family businesses should manage the conflicts and expectations of family members by making plans and creating policies. Sustaining governance includes plans, policies and leadership styles that shape the governance structure of a family business. Creating governance and the evolution of governance through generations require active support from family members. Therefore, family business governance structure is formed and develops through time by means of active participation of family members. This is the first main part of the continuity model. The details of relevant plans and policies were discussed in chapter 5.

ii) Family Trust

The second component of the circular conceptual model (Figure 4.9, p136) is 'Family Trust'. According to the data of this research, successful family businesses need to build and maintain trust among family members if they aim for continuity of their family business. The high level of trust among family members reduces the agency costs in family businesses (Sardenberg, 2013). However, this trust can disintegrate as more family members become involved in the family business and the company grows bigger (Sundaramurthy, 2008). Therefore, sustaining trust among family members from different generations is very important to managing the conflicts and sustainability of family business. Building and sustaining trust also needs family members' active participation and commitment. The details of sustaining trust were discussed in chapter 6 of this research.

iii) Family Integration

The third component of the continuity model (Figure 4.9) is 'Family Integration'. Involvement of new family members affects the ownership configuration. Family members' purposes of involvement have an effect on the sustainability of family businesses as this the nature of their involvement and participation in the family business. The greater the family's integration, the more the members will support the family business. Successful family businesses need continuous integration in order to succeed in the transition process. Sustaining integration needs the family members to join and support the business based on non-monetary purposes. This kind of non-monetary involvement and support, termed Emotional Ownership, was explained in chapter 7 of this research.

Participative commitment is used in this research as the key element connecting the main themes of this research together. The connection between participative commitment and the three themes presented in this research is presented in figure 4.9. Participative commitment is shown in the centre of the circle as the core element connecting the three themes (see figure 4.9, p136).

iv) Participative Commitment

In a family business, the family is a source of employees, owners, managers and directors. In committed families, everyone contributes to the goal of success of the family business (Ward, 2004). The family's active participation is a powerful and constant influence in the continuity of family business, as discussed throughout this thesis.

Family participation is a tangible indication of the family members' commitment to the business. If everyone is positively involved with the business, the business has achieved Family Commitment. Ownership continuity and successful business performance both require Family Commitment over the long term. However, what often happens is that family members are unwilling to participate in the family business or their participation is not active (Carlock and Ward, 2010). This has been a great worry to senior family members, especially in the second and third generations. This kind of active engagement forms the participative commitment that connects the components of the model together.

Participative commitment includes active involvement in the family or business system and shared decision-making. The first dimension of participation is getting more family members involved in contributing to the future of the family business. Family participation in any capacity increases a sense of ownership and helps individuals to learn more about how the family and business operate. The second dimension of participation is expanding the family's role in the decision-making process. This action involves sharing power and responsibility for making decisions on family, ownership, governance and business issues. Reviewing and proposing revisions to Family meetings would be an example of an activity where the family can share responsibility. While active involvement is the first step to family participation, it is shared decision-making that creates the positive energy for the business family.

Participative commitment in terms of this thesis means integration of involvement, contribution, understanding, engagement, responsibility, dedication, support behaviours, loyalty, acting, commitment, learning and educating to both family and business in order to support the family and the business. It starts from childhood and evolves as the family members and business grow through the life cycle. It creates a family business identity for the members. Family businesses need an advanced level of participative commitment in order to achieve continuity of the family business.

Chapter 4 also presented the second conceptual sustainability model (Figure 4.10, p.144). The author added the ownership configuration bar and the age timeline to the model 4.9 in order to show the stages in the life cycle of family members. The Ownership Configuration bar also shows ownership changes in relation to progression along the time line and the new model includes a child preparation bar to record participative commitment. At the end of each transition process the new process of sustainability is looped back to involvement to show the start of a new process. This new improved model (Figure 4.10, p.144) represents the final model of sustainability of family businesses.

The next section will highlight the findings of this research.

8.3 Summary of the discussion

This research came to the understanding that the transition of a family business is a comprehensive continuous process which needs to start even before new family members join the firm. Thus this research is building upon the works of Carlock and Ward (2010), Ward (2011), Haag (2012) on succession planning in family businesses which express that the continuity of family firms is a continuous process that happens over time. While this research supports these sorts of ideas it also adds to them by illustrating that continuity planning should start long before the new generation joins the business. More specifically young family members should be familiarised with and integrated into the family firm, starting from childhood. This has been shown in different stages based on the time line in the presented framework (Figure 4.10, p.144). This is one of the novel and key contributions of the current study. The evolution of the business and the family members needs to be structured, integrated and based on trust. Those family businesses that are stronger and best prepared will survive. The transition of family businesses to the new generation has been considered as a process rather than an event; succession takes place over an extended period of time, perhaps 10 to 20 years, and requires a long-term orientation for involved actors (Longenecker and Schoen, 1978; Handler, 1994).

The succession process in family firms involves the passing on of leadership from one family member to another, of a different generation (Sharma et al., 2001). In this way, succession can be viewed as a protracted change management process involving several family shareholders (Cabrera-Suarez et al. 2001; Higginson, 2010). Ethnic subcultures have been found to facilitate interfamily succession through the presence of a strong identity and felt commitment (Perricone, Earle, & Taplin, 2001). This research identified three main themes: 'Sustaining Governance', 'Sustaining trust' and 'Emotional ownership' from the data derived from Iranian family businesses in addressing the aims and objectives of this research. The next section will summarise the key insights gained by this research.

8.3.1 Sustaining governance

As discussed before, family enterprises rarely survive to the next generation. In order to survive, family businesses have to be well structured, especially as they enter the second and third generations (Sardenberg, 2103). The establishment of formal structures and processes to organise these relationships is known as governance (Jaffe and Lane, 2004). Sustaining governance helps family members and leaders to understand the critical factors for family business continuity and building a governance structure to manage the members' expectations and needs. The importance of a governance structure in family businesses and the participation of the family members in creating and supporting an appropriate governance structure has been discussed by many scholars (Ward, 2004; Carlock and Ward, 2010; Sarderberg, 2013; Andrade and Rossetti, 2011; Huse and Landstrom, 2002). Planning enables a family to identify policies and programmes to reflect their changing values and allow them to create a new vision of the future. It also provides a foundation for coordinating, directing and controlling the activities of the business. Organisations that encourage appropriate participation make better decisions and the decisions receive greater support (Zahra et al., 2004; Karatas-Ozkan et al., 2011). This research not only supports this proposition but also expands it by adding participative commitment as an important element of forming and implementing governance structure in family businesses. Furthermore this research expresses that forming family governance, implementing the policies and plans is a continuous process that supports family trust and family integration as other areas of potential conflict. This has not been explicitly discussed in prior studies.

Creating governance and evolution of governance through generations requires family members' active participation in creating and developing the governance structure of the family business as it grows. Therefore families have to be active guardians and responsible owners in making key decisions and managing their assets. Additionally, as discussed in chapter 4 (4.4) and chapter 5 (5.2), family businesses need to adapt and customise their plans for the family business in order to manage the family members' expectations and thereby control conflicts.

8.3.2 Sustaining Trust

Trust represents a unique strength of family businesses. Family firms in the early stages benefit from high levels of trust. This initial trust embedded in the family firm is often damaged by conflict and turmoil. Sustaining trust in family businesses means harnessing the value of stability, trustworthiness, and long-range orientation that being private can provide (Sundaramurthy, 2008). The importance of trust is another little studied area in the field of sustainability of family business. This research, however, not only expresses the importance of building and maintaining trust in the sustainability process of family firms but also clarifies that the initial high level of trust among family members should be supported by family members and by forming a governance structure. Accordingly family trust is empowered by the family governance and will support family integration. It also will support family members' involvement in the business. The importance of trust and its alignment with governance and integration has not been explicitly discussed in prior studies. Chapter 6 of this thesis discussed how to build and maintain long term trust in family businesses.

8.3.3 Family Integration

As discussed in chapter 5 (5.2, p.152), the survival of family firms depends on the involvement of next generation family members. Whether as employees or owners, the new generation family members' commitment and willingness is the key to the continuity of the family firm. Accordingly, family members should support family, business activities and each other in order to support the continuity of family firm (Bjornberg and Nicholson, 2012; Le Breton-Miller and Miller, 2013; Dyck et al., 2002, Ward, 2004). This research not only considers existing ideas on family relationships, communication and emotional ownership but also categorises them into a framework for developing family integration. The research also builds upon the emotional ownership ideas of Le Breton-Miller and Miller (2012) and Björnberg and Nicholson (2012), by addressing family pride and forgiveness as important elements of emotional ownership among family members. Family pride and forgiveness also support the involvement of family members as well as supporting the continuity process in family firms, as components of emotional ownership. These again are factors that have not been explicitly discussed by prior studies except by Le Breton Miller and Miller (2012). Chapter 7 (7.2, p.214) of this research discussed purpose of involvement and how to increase integration among family members in a family business in order to support sustainability of the firm. The next section will explore the contribution of this research to knowledge and practice in more detail.

8.4 Contributions to Knowledge

The contribution to knowledge by this thesis is based on the analysis of data given by the participants, around three themes, namely, sustaining governance, family trust, and family integration, and development of insights into participative commitment as a partial explanation of the studied phenomena. Whilst the literature has been effective in identifying components of continuity to the next generation, this thesis has built a larger picture and provided broader understanding of family SMEs' sustainability. Furthermore, as illustrated in Figure 4.10, the research presented two conceptual models for sustainability of family businesses that represent an advance in the literature.

Figure 4.10 provides new understanding, and a new way of looking at family business sustainability through interaction between governance, trust and integration in relation to family firms in Iran. These areas of conflict and the necessary continued interaction between them to support family firms' sustainability, plus their various elements, have not been explicitly addressed before by major authors in this field. In other words, governance, trust and integrity are considered in an innovative way. In addition, participative commitment has been highlighted as the key element of family firms' sustainability. Therefore, this sustainability model, based on the literature review and data analysis, presents a comprehensive picture of family firms' transition to the next generation.

This section highlights the contribution of this research, with theoretical and practical contributions discussed next.

8.4.1 Theoretical contribution

Sustaining to the next generation is considered by many scholars as the most important test for any family business (Barach and Gantisky, 1995; Chrisman et al., 1998; Davis and Klein, 2005; Landsberg, 1999; Le Breton-Miller et al., 2004; Massis et al., 2008; Sonfield and Lussier, 2002; Danes et al., 2008, Massis et al., 2008). Therefore this research contributes to the research knowledge on sustaining the family businesses to the next generation by identifying the main areas of conflicts and developing a model

(Figure 4.10, p144) to address resolving the issues and supporting family business sustainability. Furthermore, participative commitment is identified as the key element in sustainability of family business. Therefore, this thesis makes a comprehensive contribution to knowledge in terms of covering the three main areas of 'Sustaining Governance', 'Family Trust' and 'Family Integration'. The findings from the research are also of value for senior family owners, second and third generation family members, professional managers and business practitioners through employing this sustainability model in consultancy projects in relation to developing sustainable family businesses.

The findings of this research are in line with literature discussion of key issues facing family businesses (Hollander and Elman, 1998; Martinez et al., 2007; Jaffe and Lane, 2004; Levsin, 1971; Goffee, 1996; Zahra and Sharma, 2004; Carlock and Ward, 2010, Cabrera-Suarez et al. 2001; Astrachan and Jaskiewicz, 2008; Charlock and Ward, 2010; Bjornberg and Nicholson, 2012). The current study makes a major contribution to this discussion by illustrating the main areas of conflict among Iranian family businesses through the sustainability framework (Figure 4.10, p.144). Although these areas of conflict are discussed in the literature on family businesses, crucially such literature appears to adopt the view that Iranian family businesses do not differ from family businesses in the west and other areas of the world. Whilst the literature on continuity of family firms has mainly focused on family businesses in the west, this research focused on family firm continuity in Iran. However, the current research found that there were indeed apparent similarities with other parts of the world. Consequently, this represents a new finding by this research.

The presented sustainability model (Figure 4.10, p.144) makes a theoretical contribution to Carlock and Ward's (2001) Life cycle forces model (figure 2.4) in relation to family businesses. The Carlock and Ward (2001) model identifies life cycle forces and their influence on the ownership configuration. However, the sustainability model (Figure 4.10, p144) presents a continuous process of continuity and the effects of the model on the ownership configuration in the Carlock and Ward (2010) model.

In addition, the presented model (Figure 4.10, p144) makes a theoretical contribution to Churchill and Hatten's (1997) model of life cycle influence on family business transition, presented in chapter 2 (Figure 2.3). The Churchill and Hatten (1997) model clarifies understanding of the senior and successor generations' life cycles and possible conflicts in the different phases. The sustainability model (Figure 4.10, p144) adds family involvement and the continuous sustainability process for resolving issues between the senior and successor generations described in the Churchill and Hatten (1997) model (Figure 2.2), based on a three dimensional process model.

Furthermore, the presented model (Figure 4.10, p144) makes a theoretical contribution to Ward's (1987) successor's career development time line as discussed in chapter 2 (Figure 2.5, p48). Whilst Ward plots the successor's role and developmental goals on a time line, the sustainability model presented in this research uses Ward's time line as a basis to present and discuss the continuity of family businesses. The sustainability model also explains family preparation for participative commitment in terms of Ward's time line.

According to the literature, cross-national differences have been neglected as most prior studies on the sustainability of family businesses have been conducted in the west (Hollander and Bukowitz, 1990; Karatas-Ozkan et al., 2011; Lerner and Malach-Pines, 2011; Ward, 2004). Therefore this research contributed to the knowledge of family businesses in a different context by conducting the research in Iran, although, as stated above, issues of family business sustainability were found to be similar in Iran and other parts of the world. Therefore such findings can be used to understand family business continuity in Iran.

The role of the founder in preparing the new generation has been discussed in the literature (Janjuha-Jivraj and Spence, 2009; Carlock and Ward, 2010). Therefore the findings of this research contribute to this literature by illustrating the role of the founder and senior family leaders in preparing the competent new generation for the family business, as presented in the conceptual model (Figure 4.10, p144). The role of the senior generation in preparing the new generation was also discussed in chapter 5, and chapter 7.

This research contributes both to the Mustakallio (2002) and Hollander and Elman (1988) frameworks by addressing family integration, generational transfer, family involvement and ownership configuration in the presented sustainability model (Figure 4.10, p144). Additionally, this research contributes to the Mustakallio (2002) and Hollander and Elman (1988) family business models by adding participative commitment as a key element necessary for sustainability of family businesses.

The research contributes to bridging the gaps in the existing knowledge on sustainability of family businesses, for example, by building on Carlock and Ward's (2010) ideas of family businesses sustainability as well as adding to the Sundaramurthy (2008) ideas regarding role of trust in family businesses and to the emotional ownership ideas of Björnberg and Nicholson (2012). Therefore, this research provides understanding that enables engagement with the theoretical process underpinning transition within the under-studied context of Iranian family businesses.

In terms of professional practice, this research can assist family members in family businesses as they plan for sustainability or as they look to grow their family business. For instance, family members can take on board policies, plans and leadership styles relevant to the stages of family firms which form their governance structure. Accordingly this research builds upon the generational transfer ideas of current literature (for instance, Janjuha-Jivraj and Spence, 2009; Carlock and Ward, 2010; Howorth et al., 2010; Basco and Rodrigues, 2009) on the governance of family firms.

The research has presented a new framework (Figure 4.10, page.144) that provides a method for family members and staff to understand the underlying issues in family businesses and how to resolve them for succession between generations, by identifying the key areas of 'Governance', 'Trust' and 'Family integration'.

Family businesses leaders should find different ways for getting younger generation family members involved in the business as much as possible. This will support the continuity of the family business. Accordingly this research provides recommendations to support family members' involvement (6.4.3 and 7.2) that emphasise family members' involvement as an important factor in family business sustainability by building upon the ideas of Carlock and Ward (2010) and Le Breton-Miller and Miller (2013).

First, family members should be educated about the business from childhood by senior business leaders; this education should continue in different forms, supported by relevant higher education as the family members grow up. Such education should be considered as planning that will prepare responsible owners for the company in the future.

Transparency among all generation family members is an important factor in managing issues and supporting sustainability. Therefore, all compensation and family members' payment plans should be made clear to all family members. This idea builds on Ward's (2004) ideas on sustainability of family businesses. Transparency, as discussed in detail in (6.3.3), is an important factor for consideration by senior family leaders in supporting sustainability of family businesses by enhancing the level of trust among family members.

Family businesses leaders should work to maintain a high trust level among family members. Accordingly family owners should respect and support trust in their family and business. This can be done through resolving the issues and implementing the actions (including taking on board some policy and plans that supports disclosure and transparency) that have been explained in detail in chapter 6. Family trust has been highlighted as an area of conflict among family members in the presented framework (Figure 4.10, p.144).

This research builds on the ideas of Clark and Payne (2006) and Galford and Seibold (2003) regarding the importance of trust and enemies of trust, by proposing how senior family leaders can enhance trust in family businesses in order to increase their sustainability.

Family members, especially the younger generation members in a family business, should respect the non-monetary purpose of involvement and support emotional ownership in order to support the sustainability of their firms. Respect, pride and forgiveness have been recognised as the most important emotional ownership factors in supporting sustainability. Accordingly, this research enriches the ideas of Le Breton-Miller and Miller (2013) and Björnberg and Nicholson (2012) on emotional ownership. According to this research, parents play an important role in implanting these feelings in their children, and these feelings may help to resolve many issues relating to the 'Family Integration' area of conflicts. It is worthy of note that the culture of Islam (as the main religion affecting the Middle East and Iran) is about forgiveness and collectivism but in the UK or in the west the culture might be more individualistic and the idea of forgiveness might relate more to such concepts as competitiveness or mistrust. The importance of family integration as an area of conflict has been highlighted in the presented framework (Figure 4.10, p 144).

Conducting this research has enhanced the researcher's understanding and informed his professional practice on the process of transition from the perspectives of different generations by identifying the areas of conflicts and understands how to resolve them. Therefore this research builds upon current family business sustainability ideas such as those of Carlock and Ward (2010), Sorenson (2004), Le Breton-Miller and Miller (2013), Björnberg and Nicholson (2012), Mustakallio's (2002) and Massis et al (2008). The transition process has been highlighted in the presented framework (figure 4.10, p 144).

Family members should all be included in planning and policy making as well as making important decisions related to the family business, from a young age. This will enhance their feelings of responsibility and commitment to the family business as well as helping to manage the issues by gaining their support on decisions. Therefore this research identified family commitment and family participation as important factors supporting forming governance in family businesses. Therefore, this research builds upon the Handler (1992), Cabrera-Suarez et al. (2001) and Ward (2004) ideas to address the role of family members' commitment in the sustainability of family businesses. This has been highlighted in the presented framework (Figure 4.10, P 144) as participative commitment.

Such participation may be affected by gender preference as according to the findings of this research, based on Iranian culture (which may be a result of dominant religion), businesses tend to be male dominated. However, sustainability of family businesses needs all family members' participation in supporting the business.

The findings of this research also contribute to Carlock and Ward's (2010) ideas of commitment in family businesses. Whilst the idea of commitment exists in other literature (Carlock and Ward 2010), what this research contributes, in the context of Iran, is described as participative commitment. Participative commitment with reference to Iran consists of involvement, contribution, understanding, engagement, responsibility, dedication, and supportive behaviour; loyalty, acting, commitment, learning, and educating family members in order to support both family and business. It starts in childhood and develops over time as family members and the business grow through the life cycle. It creates a family business identity among family members that is necessary for the sustainability of Iranian family businesses. As mentioned before, Iran has a collectivist culture, possibly as a result of its religion, which supports commitment and participation. However, this research suggests that future studies could usefully look at what participative commitment means in a different culture. For instance, participative commitment in England may be a more competitive and individualistic notion, about how to get to a win/win situation. In other words, according to this research, in Iranian culture, participative commitment could be conceptualised as resulting in more integration and social governance, whereas in western culture this type of participative element may be lacking. Whilst such discussion was beyond the scope of this research, one of this study's key contributions is that it has refined the notion of commitment in relation to family business sustainability into a form that is particularly relevant in the context of Iran.

The next section will discuss this research's contribution to practice.

8.4.2 Practical contribution

The research questions that were set for this research were seeking practical answers. Developing a contribution to practice was the purpose of this research as the benefits from the research were seen as facilitating the transition of family businesses in Iran to the following generations. This investigation provides specific pointers that might assist family businesses in understanding expectations of family members, resolving issues, protecting long term trust among family members and supporting family members' integration in order to successfully transit the family business to the next generation. In terms of practical contributions, this research makes the following important points:

According to the data of this research, senior family members were worried about not involving the young family members in the business, which put the sustainability of the family business in danger. This phenomenon mostly affected senior managers in the second generation, as they were concerned about transition to the third generation. According to Ward (2004), second generation family members who become involved in the family business have usually been exposed to the business from childhood. Therefore, senior family members should adopt preparation procedures that will maximise family members' involvement in the family business. Preparing responsible owners, preparing committed members for the business, giving company stock as gifts to younger family members, provision of positive images toward the family business by parents, especially mothers, instilling commitment, family pride and honour, and giving some level of financial independence are some of the factors that help family businesses to maximise the new generation's involvement in the business.

Family businesses were found to need a sort of customised legitimacy called governance in order to manage the expectations of family members and reduce conflicts among them. As discussed earlier in the thesis, generational conflicts tend to have an impact on sustainability of family businesses. Family members should be part of creating the business's governance structure in order that it will receive their maximum support. This structure should include policy and plans that support the business and family members and define their positions in the business.

The results of this research indicated that legitimacy improves trust, which consequently diminishes the risk of the emergence of conflict. Developing the legitimacy of family managers, either establishing rules for their entry, or building their competence, skills and attitudes is a recommendation for owners who want their family members to assume management positions in the company. Trust is considered as valuable capital of family members that needs to be maintained and protected throughout the company's and family members' life cycles in order to support the continuity of the family business to the next generation. Trust based on legitimacy will also increase the family members' involvement and will increase the level of forgiveness and integration among family members.

The data from this research suggest that the young family members should participate in the business decision making process. Younger family members who participated in this research complained that they were full of energy when they joined the business but as time passed their enthusiasm and motivation were damaged as they did not have the chance to put forward their ideas or put these ideas into action. In the first generation, usually all the decisions are made by one person, usually the owner-manager. As the new generation become involved in the business this decision making process needs to change. Therefore the leader of the company needs to be prepared to change by involving the new family members in company decision making. Business meetings are a suitable place for such participation. This participation reduces conflicts and keeps the young family members active and motivated in the family business, thus supporting its sustainability. It enables the new ideas of younger family members to be considered and altered through the experience of the senior generation and supports the sustainability of the family business by minimising conflicts and responding to change.

Disclosure is a means of producing information to meet the legal requirements of the stakeholders. The companies that adopted disclosure as a way of ensuring transparency towards family members faced less conflicts. This transparency includes compensation payments, dividend payments, and sharing new investment opportunities with family members. Such transparency, as already discussed, generates trust, which in turn minimises generational conflict.

According to the findings of this research, the purpose of involvement affects family members' expectations from the business. Non-monetary purposes have been identified as motives that reduce conflicts and maximise family support and then family integration. Family integration is important in supporting and keeping the family and the business together in difficult situations. These kinds of motives should be implanted into the young generation's minds from childhood. Therefore, parents have an important role in implanting non-monetary purposes in younger family members. Forgiveness, respect of family members, especially the elderly, close family relationships, family unity, and pride are some of these motives that have been indicated as necessary for continuity of family businesses in Iranian culture.

According to the findings of this research, children should be prepared for involvement in the family business. This kind of preparation starts from childhood at home by familiarising children with the business. The preparation process then continues through mentoring in the business under the supervision of a senior member. It is suggested that the mentoring preparation plan should include university education related to the business. Then the young family members should have a chance to run their own section, department and then a company related to the family business. This kind of preparation process will result in the participative commitment extensively discussed in this thesis. Fully prepared family members will thereby participate in creating legitimacy of the company and contribute to building and keeping trust, and enhancing family integration in order to support the family business's continuity.

Now that the main contributions of this research to knowledge and practice have been highlighted, in terms of contribution to knowledge, the research provides understanding that enables engagement with the theoretical process behind transition within the under-studied context of Iranian family businesses. In terms of professional practice this research can assist family members in family businesses as they plan for sustainability or as they look to grow their family business.

The next section will explain my personal reflection on this thesis.

8.5 Personal Reflection

The personal interest of the author drove the execution of this study. I am involved in a family business as a second generation family member. I have experienced bitter disagreements between family members and the feeling of how bad it is to annoy or get annoyed by family members because of the shared business. Therefore, I have always had an interest in resolving family business conflicts, and finding a way to achieve a smooth transition of the business has been my main concern. I have been looking for a valuable practical model to work with on this concern. Therefore, my personal interest was the driver to conduct this research. This section will trace the background of my family business and then explain the position of my family business in terms of the presented framework figure (4.10). Finally this section will expand how the model fits into my family business.

My family business was formed 20 years ago by my father as the founder of the business. As an entrepreneur and hardworking man, he has been through different trading businesses. He started a manufacturing company in 1996 and officially registered the shares of the company equally among all family members (four children, his wife and himself). He then ran different manufacturing businesses and followed the same equalisation on share gifting for the other businesses as well. This attitude of gift sharing is compatible with the gift sharing planning in the sustaining governance structure of proposed continuity model (Figure 4.10, p144). Therefore, my father made an important step to motivate us to join the business.

My older brother, as the first child, became involved full time in the business in 2001. I joined the business full time in 2004. My other brother only joined the business part time as he did not want to work in Iran and he was not allied with our father's attitude toward running the business. My older brother and I are trying to support the family business but the other brother is not willing to join the business as he does not believe he can work within the current structure of the family business. However, my not-involved brother believes it is his right that the family business supports his living costs as well as paying the capital for his business plan in another country. Secondly, he is happy working outside the country as he has been living outside Iran for half of his life. Non-involvement of my brother is annoying the family members and our parents as the family wants him to be part of the family business as one of the shareholders.

My brothers and I became familiar with the business alphabet when we were very young and were exposed to our father's business by visiting his shops, visiting the factory and by working part time there. My Mother played a major role in supporting our father and requiring us to respect our father as the head of the family and business. She always reminded us how hard our father worked to support the family and formed a positive image of my father in our minds. She always admired my father and asked us to do so. Furthermore, our parents implanted the values of honesty, respect, clean money and close relationships in our mind to prepare us for our life in the future. According to this research, this early education by my parents corresponds to a plan for children's preparation which, according to Figure 4.10 presented in this thesis, enhances participative commitment. Therefore, my parents worked hard to implant non-monetary motives in our mind, which support the concept of family integration which is presented as the third theme of this research in the presented continuity model (figure 4.10, p144).

According to Figure 4.10, the family members' preparation plan plays an important role in forming the children's identities and thereby creating participative commitment among them (5.2.2, p157). Mentoring and higher education are part of this preparation plan. My father, as the head of the family and business, took us through different mentoring programmes. He asked us to work in shops, in factories, and in different departments under his supervision. He also directed and supported us to take relevant business university courses as long as we were working with the company. Therefore, my father's activity on mentoring and educating us was in accordance with the findings of this research, although he did not follow any written plan.

The findings of this research identified that another stage of the child preparation plan is for new members to run their own section, to prepare them for running the bigger business (5.2.2). My father gave us different departments to run after we finished our university studies. After a while, he assigned each of us as a managing director of an individual company apart from the core family business. Therefore it seems that his plan was in accordance with the preparation plan presented in this research.

Although the mentioned positive preparation plan was followed by my father in accordance with this study, my family business has been suffering from disagreements among our family members. My father has been using his power trying to resolve the generational issues and find the best way of saving the family and the business. However, based on this research there are other steps that my family business needs to take in order to resolve the issues and support the business's sustainability.

Conducting this research has informed me that sustaining governance is one of the important components of continuity planning. My family business does not have any structure for making plans and policies. Furthermore, there are very few meetings, often held when something very important or critical arises and everybody needs to participate. Therefore, according to the findings of this research, my family business should form a governance structure and hold regular meetings with the participation of all family members to make relevant policy and plans and make important decisions. This kind of regular meeting would not only bring structure to our family business but also help us to make policy and plans and clarify the roles and positions of family members in order to manage expectations and resolve issues. Therefore, a clear structure of governance, including policy and plans that family members participate in devising, is required for our family business.

Family businesses require a clear compensation and dividend policy to resolve some of their issues, as the findings of this research informed (Chapter 5, 5.3.2). My family business does not follow any structure on compensation and dividend payment plans. This has caused conflicts in the long term among our family members. Furthermore, according to the research, unclear compensation and dividend policies damage trust among family members. It was never decided how much each of us would receive as income or how much dividend should be paid to each family member. Therefore a clear compensation and dividend policy is necessary for my family business in order to resolve the issues and support trust among us.

According to the findings of this research, family members should have a degree of financial independence in their lives so they do not have to answer to anybody for their financial decisions (Chapter 5, section 5.2.4). The lack of financial independence among family members in my family business has caused conflicts. We always have to ask our father for the money we need or for our plans. Therefore, family members in my family business need to have some sort of financial independence.

The outcomes of this research have informed me that disclosure and transparency among family members play an important role in resolving issues and enhancing the trust level among family members which is required for sustainability of family businesses (section 5.3.2). Accordingly, everything regarding payments should be clear among family members and what each person receives should be agreed. Furthermore, business investment ideas should first be discussed with family members to see if they want to participate. This increases the level of trust among family members. As mentioned before, there is no clarity over compensation and payments in my family business. Therefore, my family business needs to maintain a higher level of transparency, disclosure of payments, and sharing of business opportunities.

Conducting this research has developed the understanding that not everything can be planned in life and not in family businesses. Therefore family businesses need to have a sort of agenda to sit together and resolve the issues and respond quickly to changes (section 6.3.4). This could only happen within the meetings with participation of all family members. As mentioned earlier, my family business has no structure for meetings, meetings are not held regularly, meaning conflicts remain unresolved, which harms the family members and puts the continuity of the family business in danger. Therefore, business meetings and family meetings with an agenda of resolving issues and making decisions to respond to changes are highly necessary for my family business.

The findings of this research identified that family members should participate in the decisions of family business in order to support those decisions and to feel they are important to the business (section 5.3.1). In my family business, most of the decisions are made by my father, who has control. He has been trying to invite us as younger family members to participate in decisions and listen to our ideas in recent years but the issues harmed the process and harmed the level of trust. Therefore, our family business should adopt a process of making decisions with the participation of every family member so the decisions receive more support from the members and the members feel that they are important for the business.

Conducting this research leads to another understanding that close family relationships are necessary to the continuity of family business. Accordingly, family meetings and board meetings are important activities that enhance communication among family members and make relationships closer. My parents have been trying to hold family meetings as family gatherings once a week but there is a lack of board meetings, as mentioned earlier. Therefore more family gatherings and board meetings are necessary for increasing the communication level and making relationships closer between our family members.

This research leads to an understanding that parents need to teach their children to understand wealth (section 7.4.2). This will affect the children's purpose of involvement and will minimise conflicts by managing the children's expectations. Accordingly, family members who work in the business have better understanding of wealth compared to the members who are not involved in the business. People who are more interested in the business are more interested in work, and less interested in consuming. In my family business our parents tried to teach us the value of money and not to consume our wealth entirely. They also tried to teach us to work for our money. Accordingly, my father introduced us to work in the business from the bottom and did not let us have access to huge amounts of money. Furthermore, my parents were not successful in teaching my other brother the value of money and there is a big difference between those of us who are involved in the business and my other brother, who is now not willing to work with the business. This has been one of the main issues for my family business. However, giving the family members of my family business some sort of financial independence and freedom to manage our own financial lives seems necessary for continuity of the family business. Therefore, I would suggest a financial independence plan and compensation policy for family members in my family business.

As the DBA course is about contribution to professional practice and because this research relates to my family and my business, this section will outline how my family business will be run differently because of my research. How am I going to use my research to resolve issues in my family business and help me move the family business to the next generation? Accordingly, I am pursuing the following plan of action:

- According to the conceptual framework (Figure 4.10, p.144) family integration is an area of generation conflicts. Moreover, as discussed in chapter 7 (section 7.3), family integration is enhanced by addressing, discussing and resolving the issues in family meetings and business meetings (board meetings). Therefore, I have started holding family meetings and business meetings with the family members. The aim of the family meetings is to address our family members' issues and to resolve them appropriately. The aim of the business meetings is to discuss family businesses issues and inform all the family members about the current business process and future plans.

- The sustainability model (Figure 4.10, p.144) highlights the importance of involving new family members. According to the model, any succession plan requires family members' involvement and participation and support (section 4.4). Therefore, I aim to find ways to involve more family members in the business. This includes my brother at the current stage and younger family members in the future. Conducting this research has informed me that the more family members are involved in the business, the greater the chance of sustainability.

- As explained in previous paragraphs, the presented sustainability framework (Figure 4.10, p.144) highlights the importance of involving new family members in the business. Accordingly, I have already started to encourage my brother to be involved in the business as well as explaining to my father the need to encourage him to join the family business.

- The conceptual framework (Figure 4.10, p.144) identified family integration as an area of conflicts in family businesses. Moreover, this research leads to this understanding that regular family meetings and business meetings support family integration (section 7.1, p.209). Accordingly, I am attempting to enhance integration between my father, my other two brothers and myself by planning more family visits as well as business meetings.

- The sustainability model (Figure 4.10, p.144) proposed governance is an area of conflicts in family businesses that need to be managed. Accordingly, many family business issues could be managed by clear plans and policies in family businesses (section 5.2 p.152 and section 5.3, p.171). Hence, I have already started to make plans and policies for all our companies. To that end, my father, my brother and I agreed to move into a new building and for us to work together on making business plans and policies for our family business.

- The presented model (Figure 4.10, p.144) raised the issue of family trust as another area of conflict in family businesses. Accordingly, the high level of trust among family members should be supported and protected by adopting disclosure and transparency (section 6.3, p.195). Therefore, I raised the issue of disclosure and transparency in a family meeting and suggested that all business and financial activities should be transparent among all family members in order to minimise possible issues. This suggestion was happily accepted by all family members.

- As the framework (Figure 4.10, p.144) illustrates, involvement of new family members in the business is important to support the sustainability of a family business. Therefore, I will invite more family members to participate in making decisions regarding the future of the business by arranging business meetings and discussing business matters.

- The presented sustainability framework (Figure 4.10, p.144) is based on the time line. Accordingly, what is past is gone, but I will share and discuss my family business sustainability knowledge with my family and will guide them based on my knowledge. I will relate this knowledge to other family businesses as well.

- The framework (Figure 4.10, p.144) illustrates the importance of family members' education. Their education needs to be planned by family business leaders. Moreover the education in each lifecycle stage needs to be appropriate to the age on the new family members, with the aim of preparing a new reliable leader generation for the family business. Therefore, I will educate my children in the ways of the business and will try my best to prepare them to take over the business in the future by teaching them, mentoring them and supporting them in higher education relevant to the business.

This section has focused on my contribution to professional practice. My research has enhanced my knowledge regarding sustainability of family businesses, and therefore my own family business. Accordingly, based on the presented models, I have outlined the activities that I have already started in order to support the sustainability of my family business and my future plans to involve younger family members in the business. I consider this research to be reliable guidance as it addresses most of my family business issues and covers almost all areas of conflict as well as providing me with an overall understanding of family businesses, their issues and their sustainability.

This section highlighted and explained the contribution of this research to practice. Accordingly, the section discussed the contribution to professional practice and expanded on my personal reflection regarding this research.

8.6 Limitations and Recommendations for future study

This research contributes to bridging the gaps in the existing knowledge on sustainability of family businesses. This chapter summarised the insights developed in the previous chapters relating to the nature of family businesses and how to sustain a family business into the next generation. First of all, this chapter highlighted the research questions the study aimed to answer. Next, the chapter outlined the contribution of this study to research and practice and the contribution to professional practice in terms of the author's personal reflection on the research journey and laid out a plan of action for his family business, based on the research findings. Now the limitations of this research will be discussed.

The present study, like most research, has certain limitations. Due to the nature of the research, data was collected from specific family businesses and specific SMEs in a particular region of Iran. Therefore, there is a need for caution in the use of the findings, and further investigation is needed into generational issues and how to transit family businesses to the third generation. In addition, some family businesses discussed in this thesis did not have a high level of involvement in the research project, so less data was collected from this group of participants. Had this not been the case, richer results and recommendations could have been obtained.

In this research, more interviews might have been conducted at the first stage (preliminary study) of data collection, by looking at the issues between the different generations in more detail. That could have added more rigidity to the second stage of data collection and analysis.

As all interviewed family businesses were from industrial backgrounds, further research could be carried out through a comparative study among family businesses from different sectors (for instance, agriculture or service), where the result might be different in terms of how and to what extent participants from these industries can influence mutual understanding and the development of sustainability.

In addition, further research could compare transition processes from a wider international perspective, as some countries, e.g. the USA and EU, Japan, or from a more regional perspective, some Middle East countries, exemplify the best practice in terms of sustainability of family businesses.

The author needs to stress that the interviews were mostly conducted with senior family managers and owners. Despite this representativeness, it would have been ideal to collect data from multiple sources. Understanding perceptions of generational conflict among non-family managers would therefore be quite relevant for comparison with the vision of the owners. The author therefore recommends that future research should consider the viewpoint of non-family managers, since most investigations of generational conflict presented in the literature are conducted from the viewpoint of family members rather than non-family members.

The fact that the sample focused on Iranian family firms limits the possibilities for generalisation of the results. Iranian culture is strongly relational, which clearly involves different behaviours and different influences from those that occur in other, more transaction-oriented cultures.

It is believed that this study offers an advance on previous research in the field of sustainability of family firms. It contributes some insights and provides empirical support for theoretical propositions present in the literature. Furthermore, it is believed that this research satisfactorily fulfils the author's interest in conducting this research. The author also hopes this research will help other family businesses by providing them with practical guidelines for achieving continuity.

Finally, the author makes the following suggestions for further research in this field. Accordingly, the role of senior family members in preparing the new family members in each transition life cycle level, how to increase involvement of new family members, appropriate policies and plans, new ways of supporting trust in family businesses and ways of increasing integration among family members are areas of study suggested by the author for future research.

Respect, pride and forgiveness have been recognised as the most important emotional ownership factors in Iran in supporting family business Integrity and thus sustainability. Although these ideas may be the result of the dominant religion, Islam, and relate to forgiveness and collectivism. however, in the UK or in the west it might be a bit more individualistic and people are on their own and the idea of forgiveness might be different and be more about competitiveness or mistrust or something like that. Therefore, future research could focus on these emotional ownership factors in depth and ways of increasing family integration. In addition, while this study has identified participative commitment as the key to sustainability of Iranian family businesses, it could be useful to look at what participative commitment means in a different culture.

This definition for participative commitment is what is necessary for the sustainability of Iranian family businesses. As mentioned before, Iran has collectivism culture which may be a result of the country's dominant religion. It supports commitment and participation. However, it could be useful to look at, what would participative commitment means in a different culture. For instance, participative commitment in England may means more competitive and more individualistic and the notion of participative commitment might be different. Therefore, this research suggests to study around participative commitment for the future study as there may be some more research needed to expand this Idea.

Biblography

Aghajanian, A. (1979). *Family economy and economic contribution of children in Iran: an overview*. Published under the auspices of the Pakistan American foundation.

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, *50*, 179-211.

Aldrich, H. E. and Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: toward a family embeddedness perspective. *Journal of business venturing*, **18** (5), 573-596.

Ali, A. J. (1990). Management theory in a transitional society: The Arab's experience. *International studies of management & Organization*, 7-35.

Ali, A. J. (1992). The Islamic work ethic in Arabia. *The Journal of psychology*,*126*(5), 507-519.

Ali, A. J. (1993). Decision-making style, individualism, and attitudes toward risk of Arab executives. *International Studies of Management & Organization*, 53-73.

Ali, A. J., Al-Shakhis, M., & Nataraj, S. (1991). Work centrality and individualism: a cross-national perspective. *International Journal of Manpower*,*12*(1), 30-38.

Ali, A., & Al-Shakhis, M. (1989). Managerial beliefs about work in two Arab states. *Organization Studies*, *10*(2), 169-186.

Alrabeei, H., & Scott, J. M. (2014). The Effectiveness of Business Support in Overcoming Barriers Facing Bahraini SMEs: The Development of a Business Support Effectiveness Index.

Alvesson, M. (2011). *Interpreting Interviews*. London, Sage Publications.

Alvesson, M. and Deetz, S. (2000). *Doing critical management research*. Sage.

Alvesson, M. and Sveningsson, S. (2008). *Changing Organisational Culture: Cultural change work in progress*. Routledge.

Andrade, A. and Rossetti, J. P. (2006). Adesão à boa governança: uma irrecusável tendência (Subscribing to good governance adhesion: an irresistible trend). Unpublished paper. Corporate Governance Program. Fundação Dom Cabral.

Andrade, A. and Rossetti, J. P. (2011). Governança Corporativa - fundamentos, desenvolvimento e tendências (Corporate Governance: principles, development and trends). 5th ed. São Paulo: Atlas.

Ansari.S, Martin.V, (2002), "Women, Religion and Culture in Iran", Routledge.

Antonakis, J., Cianciolo, A. T. and Sternberg, R. J. (2004). *The nature of leadership*. Thousand Oaks, Sage.

Aronoff, C. E. (1998). Megatrends in family business. *Family business review*, **11** (3), 181-185.

Aronoff, C. E. (2003). *Letting go: Preparing yourself to relinquish control of the family business.* Marietta, GA: Family Enterprise Publishers.

Aronoff, C. E. and Ward, J. I. (2007). *From siblings to cousins: prospering in the third generation and beyond*. Family enterprise publisher.

Aronoff, C. E., & Ward, J. L. (2002). Family business ownership: How to be an effective shareholder (No. 15). Family Enterprise Publishers.

Ashforth, B. E. and Mael, F. (1989). Social identity theory and the organization. *Academy of management review*, **14** (1), 20-39.

Association of California School Administrators (2000). Leadership. Burlingame, CA, Association of California School Administrators.

Astrachan, J. H. (2002). Family firm and community culture. In C. E. Aronoff, J. H. Astrachan, & J. L. Ward (Eds.), Family business sourcebook (pp. 597–613). Marietta, GA: Business Owner Resources.

Astrachan, J. H. (2011). Family Business Casebook Annual 2008-2009.

Astrachan, J. H. and Carey, M. (1994). Family Businesses in the United States Economy. Paper presented to the Centre for the Study of Taxation, Washington, D.C.

Astrachan, J. H. and Jaskiewicz, P. (2008). Emotional returns and emotional costs in privately held family businesses: Advancing traditional business valuation. *Family business review*, **21** (2), 139-149.

Astrachan, J. H. and McMillan, K. S. (2003). *Conflict and communication in the family business*. Family Enterprise Publisher.

Astrachan, J. H. and Shanker, M. C. (2003). Family businesses' contribution to the US economy: A closer look. *Family business review*, **16** (3), 211-219.

Astrachan, J. H., & Jaskiewicz, P. (2008). Emotional returns and emotional costs in privately held family businesses: Advancing traditional business valuation. *Family Business Review*, *21*(2), 139-149.

Astrachan, J. H., Allen, I. E., Spinelli, S., & Whittmeyer, C. B. (2003). *American Family Business Survey.* Boston, MA: MassMutual Financial Group/Raymond Institute Survey.

Audretsch, D. B. (1991). New-firm survival and the technological regime. *The Review of Economics and Statistics*, 441-450.

Audretsch, D. B., & Mahmood, T. (1995). New firm survival: new results using a hazard function. *The Review of Economics and Statistics*, 97-103.

Bamford, J. (1987). The development of small firms, the traditional family and agrarian patterns in Italy. *Entrepreneurship in Europe*, *28*, pp-12.

Bammens, Y., Voordeckers, W., & van Gils, A. (2011). Boards of directors in family businesses: A literature review and research agenda. International Journal of Management Reviews, 13(2), 134–152.

Bandara, W. (2006). Using Nvivo as a research management tool: A case narrative. In *Quality and Impact of Qualitative Research: Proceedings of the 3rd International Conference on Qualitative Research in IT & IT in Qualitative Research*.

Barach JA and Gantisky JB (1995) Successful succession in family businesses. Family Business Review 8(2): 131-55.

Barach, J. A., Gantisky, J., Carson, J. A. and Doochin, B. A. (1988). Entry of the Next Generation: Strategic Challenges for Family Business. *Journal of Small Business Management*, **26** (2), 49-56.

Barnes, L. B. and Hershon, S. A. (1989). Transferring Power in the Family Business. *Family Business Review*, **2** (2), 187-202.

Barnes, L. B. and Hershon, S. A. (1994). Transferring power in the family business. *Family business review*, **7** (4), 377-392.

Barney, J. B. and Hansen, M. H. (1994). Trustworthiness as a source of competitive advantage. *Strategic management journal*, **15** (S1), 175-190.

Basco, R., & Rodriguez, M. J. P. (2009). Studying the family enterprise holistically evidence for integrated family and business systems. *Family Business* Review, 22(1), 82-95.

Basco, R., & Rodríguez, M. J. P. (2011). Ideal types of family business management: Horizontal fit between family and business decisions and the relationship with family business performance. Journal of Family Business Strategy, 2(3), 151-165.

Basmenji.K, (2008). Tehran Blues: Youth Culture in Iran, Routledge.

Bass, B. M. (1990). *Bass and Stogdill's Handbook of Leadership*. 3rd ed.,New York, The Free Press.

Basu, A. (2004). Entrepreneurial aspirations among family business owners: an analysis of ethnic business owners in the UK. *International Journal of Entrepreneurial Behavior & Research*, *10*(1/2), 12-33.

Bateson, G. (1972). *Steps to an Ecology of Mind*. New York, Ballantine.

Bazeley, P. and Jackson, K. (2013). *Qualitative data analysis with NVivo*. Sage Publications Limited.

Belenky MF, Clinchy BM, Goldberger NR, and Tarkle JM (1986) Women's Way of Knowing: The Development of Self, Voice, and Mind. New York: Basic Books.

Bennis, W. (1986). *Leaders and Visions: Orchestrating the Corporate Culture*. New York, Harper & Row.

Berrone, P. et al. (2010). Socioemotional wealth and corporate responses to institutional pressures: Do family-controlled firms pollute less? *Administrative science quarterly*, **55** (1), 82-113.

Berrone, P., Cruz, C. and Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms theoretical dimensions, assessment approaches, and agenda for future research. *Family business review*, **25** (3), 258-279.

Berrone, Pascual, et al. (2010). Socioemotional wealth and corporate responses to institutional pressures: Do family-controlled firms pollute less? Administrative science quarterly, 55 (1), 82-113.

Bigliardi, B., & Ivo Dormio, A. (2009). Successful generational change in family business. *Measuring Business Excellence*, *13*(2), 44-50.

Birley, S. (1986). Succession in the Family Firm: The Inheritor's View. *Journal of Small Business Management*, **24**, 36-43.

Björnberg, Å. and Nicholson, N. (2012). Emotional ownership: The next generation's relationship with the family firm. *Family business review*, **26**, 113-120.

Black, I. (2006). The presentation of interpretivist research. *Qualitative Market Research: An International Journal*, 9 (4), 319-24.

Blaikie, N. (2007) *Approaches to Social Enquiry*. 2nd ed., Cambridge, Sage Publications.

Blotnick, S. (1984). The Case of the Reluctant Heirs. Forbes, July, 134-180.

Blumer, H. (1969). *Symbolic interactionism*. Englewood Cliffs, Prentice-Hall.

Boissevain, J. and Grotenberg, H. (1987). Ethnic enterprise in The Netherlands: The Surinamese of Amsterdam. In: Goffee, R. and Scase, R. (Eds.). *Entrepreneurship in Europe: The Social Processes*. London, Croom Helm, 105-130.

Boissevain, J. and Grotenbreg, H. (1987). Survival in spite of the law: Surinamese entrepreneurs in Amsterdam. *Revue européenne de migrations internationales*, **3** (1-2), 199-222.

Bork, D. (1993). *Family Business: Risky Business*. Aspen, Bork Institute for Family Business.

Bornholdt, W. (2005). *Governança na empresa familiar: implementação e prática*. Bookman.

Bowen, M. (1978). *Family treatment in clinical practice*. New York, Jason Aronson.

Bowen, M. (1985). Family Therapy in Clinical Practice. New York: Aronson, 1978.

Bowlby, J. (1980). *Attachment and loss: Volume 3: Loss, Sadness and Depression*. London, Random house.

Bowman-Upton, N. (1991). *Challenge in managing a family business*. US Small business administration.

Bowman-Upton, N. (1991). *Transferring management in the family-owned business*. US Small Business Administration.

Breton-Miller, L. and Miller, D. (2013). Socioemotional wealth across the family firm life cycle: A commentary on "Family business survival and the role of boards". *Entrepreneurship theory and practice*, **37** (6), 1391-1397.

Brockhaus R. H. (2004). Family business succession: suggestions for future research. *Family Business Review*, **17** (2), 165-77.

Brown. F. Herz, 'Loss and Continuity in the Family Firm', *Family Business Review*, VI(2)(1993) 111–30.

Brun de Pontet, S., Wrosch, C., & Gagne, M. (2007). An exploration of the generational differences in levels of control held among family businesses approaching succession. *Family Business Review*, *20*(4), 337-354.

Bryman, A. (2008). Why do researchers integrate/combine/mesh/blend/mix/merge/fuse quantitative and qualitative research. *Advances in mixed methods research*, 87-100.

Bryman, A. (2012). Social research methods. 4th ed., New York, Oxford University Press.

Bryman, A. and Bell, E. (2007). *Business research methods*. 2nd ed., Oxford, Oxford University Press.

Bryman, A. and Bell, E. (2011). *Business Research Methods*. 3rd ed., Oxford University Press.

Bryman, A. and Burgess, R. (1999) *Qualitative Research*. Thousand Oaks, CA: Sage Publications.

Bryman, A., Becker, S., & Sempik, J. (2008). Quality criteria for quantitative, qualitative and mixed methods research: A view from social policy.*International Journal of Social Research Methodology*, *11*(4), 261-276.

Bryman, Alan (2004). Social research methods Oxford University Press. New York.

Buchanan, D. A. and Huczynski, A. (2010). *Organizational behaviour*. 7th ed., Harlow, Financial Times Prentice Hall.

Buckley, M., Mobbs, T., Mendoza, J., Novicevic, M., Carraher, S.M. and Beu, D. (2002), "Implementing realistic job previews and expectation lowering procedures: a field experiment", Journal of Vocational Behavior, Vol. 61 No. 2, pp. 263-78.

Burns, T. and Stalker, G. (1961), The Management of Innovation, Tavistock, London.

Burrell, G. and Morgan, G. (1979) Sociological Paradigm and organizational Analysis. London, Heinemann.

Burrows, R. (Ed.) (1991), Deciphering the Enterprise Culture, Routledge, London.

Byrne, D. S. (2002). Interpreting quantitative data. London, Sage.

Cabrera-Suarez, K., Saa-Perez, P.D., Almeida, D.G., (2001). The succession process from a resource-band knowledge-based view of the family firm. Family Business Review 14 (1), 37–47.

Cabrera-Suárez, M. K., de la Cruz Déniz-Déniz, M., & Martín-Santana, J. D. (2011). Familiness and market orientation: A stakeholder approach. *Journal of Family Business Strategy*, *2*(1), 34-42.

Cadieux, L., Lorrain, J., & Hugron, P. (2002). Succession in women-owned family businesses: A case study. *Family Business Review*, *15*(1), 17-30.

Cammann, C. (1985), "Action Usable Knowledge." In D. Berg and K. Smith (eds.), Exploring Clinical Methods for Social Research. Newbury Park, Calif.: Sage.

Capital, F. S. (2009). Family capital, family business, and free enterprise.*Family Business Review*, *22*(3), 193-195.

Carlock, R. S. and Ward, J. L. (2001). *Strategic planning for the family business: Parallel planning to unify the family and business*. Palgrave MacMillan.

Carlock, R. S. and Ward, J. L. (2010). *When family businesses are best: The parallel planning process for family harmony and business success*. Palgrave Macmillan.

Carney, M. (2005). Corporate governance and competitive advantage in Family-Controlled firms. *Entrepreneurship theory and practice*, **29** (3), 249-265.

Carr, C. and Bateman, S. (2010). Does culture count? Comparative performances of top family and non-family firms. *International Journal of Cross-Cultural Management*, **10**, 241-262.

Carraher, S.M. (2005), "An examination of entrepreneurial orientation: a validation study in 68 countries in Africa, Asia, Europe, and North America", International Journal of Family Business, Vol. 2 No. 1, pp. 95-100.

Carraher, S.M. and Carraher, S.C. (2006), "Human resource issues among SME's in Eastern Europe: a 30 month study in Belarus, Poland, and Ukraine", International Journal of Entrepreneurship, Vol. 10, pp. 97-108.

Carraher, S.M., Carraher, S.C. and Whitely, W. (2003), "Global entrepreneurship, income, and work norms: a seven country study", Academy of Entrepreneurship Journal, Vol. 9 No. 1, pp. 31-42.

Carsrud, A. L. and Brännback, M. (2012). Where Have We Been and Where We Should Be Going in Family Business Research. In: Carsrud, A. L. and Brännback, M. (Eds.). *Understanding Family Businesses: Undiscovered Approaches, Unique Perspectives, and Neglected Topics*. New York, Springer, 1-7

Carsrud, A. L. and Brannback, M. E. (2012). *Understanding family businesses*. Springer.

Carsrud, Alan L. and Brannback, Malin (2012). Where have we been and where we should be going in family business research. In: Understanding family businesses. Springer, 1-7.

Carter, Robert A. and Philip, Graham, 2006, Beyond The Ubaid, Transformation and Integration in the Late Prehistoric Societies of the Middle east, College, University of Durham.

Casillas, J. and Acedo, F. (2007). Evolution of the intellectual structure of family business literature: A bibliometric study of FBR. *Family Business Review*, **20** (2), 141-162.

Cassell, C. M. and Symon, G. (1994). *Qualitative Methods in Organizational Research*. London, Sage.

Cassell, C. M. and Symon, G. (2004). *Essential Guide to Qualitative Methods in Organizational Research*. London, Sage.

Cassell, C., Buehring, A., Symon, G., and Johnson, P. (2006) Qualitative methods in management research: an introduction to the themed issue. *Management Decision*, 44 (2), 161-166.

Cater, J. J. and Justis, R. T. (2010). The development and implementation of shared leadership in multi-generational family firms. *Management research review*, **33** (6), 563-585.

Cennamo, C., Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional Wealth and Proactive Stakeholder Engagement: Why Family-Controlled Firms Care More About Their Stakeholders. Entrepreneurship Theory and Practice, 36(6), 1153-1173.

Chaganti R (1986) Management in women-owned enterprises. Journal of Small Business Management 24(4): 18–29.

Chandler, A. (1977), The Visible Hand: The Managerial Revolution in American Business, Belknap Press of Harvard University, Cambridge, MA.

Chell, E. (1985). The entrepreneurial personality: A few ghosts laid to rest? *International small business journal*, **3** (3), 43-54.

Chrisman JJ, Chua JH, and Steier LP (2003) An introduction to theories of family business. Journal of Business Venturing 18(4): 441–8.

Chrisman, J. J., Chua, J. H. and Sharma, P. (1998). Important attributes of successors in family businesses: An exploratory study. *Family business review*, **11** (1), 19-34.

Chrisman, J. J., Chua, J. H. and Sharma, P. (2003). Current trends and future directions in family business management studies: Toward a theory of the family firm. *Coleman white paper series*, **4**, 1-63.

Chrisman, J. J., Chua, J. H. and Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. Entrepreneurship theory and practice, 29 (5), 555-576.

Chrisman, J. J., Steier, L. P. and Chua, J. H. (2008). Toward a theoretical basis for understanding the dynamics of strategic performance in family firms. *Entrepreneurship theory and practice*, **32** (6), 935-947.

Chrisman, J. J.,Chua, J. H.,& Zahra, S.A. (2003). Creating wealth in family firms through managing resources: Comments and extensions. *Entrepreneurship Theory and Practice*, *27*(4), 359–365.

Chua, J. H., Chrisman, J. J. and Bergiel, E. B. (2009). An agency theoretic analysis of the professionalized family firm. *Entrepreneurship theory and practice*, **33** (2), 355-372.

Chua, J. H., Chrisman, J. J. and Sharma, P. (1999). Defining the family business by behaviour. *Entrepreneurship Theory and Practice*, **23** (4), 19-39.

Chua, J. H., Chrisman, J. J. and Sharma, P. (2003). Succession and nonsuccession concerns of family firms and agency relationships with nonfamily managers. *Family Business Review*, **16** (2), 89-107.

Churchill, N. and Hatten, K. (1997). Non-market-based transfer of wealth and power: a research framework for family business. Reprint. *Family Business Review*, **10** (1), 53-67.

Churchill, N. C. and Hatten, K. J. (1987). Non-market-based transfers of wealth and power: a research framework for family business. *Family Business Review*, **10** (1), 53-67.

Clarck.M.C, Paune.R.L, (2006), Character-Based Determinants of Trust in Leaders, Risk Analysis, Vol. 26, No. 5,

Clark, M. C., & Payne, R. L. (2006). Character-Based Determinants of Trust in Leaders. Risk Analysis, 26(5), 1161-1173.

Claver, E., Rienda, L., & Quer, D. (2009). Family firms' international commitment: The influence of family-related factors. *Family Business Review*.

Coffey, A. and Atkinson, P. (1996). *Making sense of qualitative data: complementary research strategies*. London, Sage Publications

Cole P (1997) Women in family business. Family Business Review 10(4): 353–71.

Collins, L. (2011). To succeed or not to succeed: A multiple perspectives literature review of research in family business succession. In: IFERA 2010, Scilly, 28th June-1st July, 2011.

Corbetta, G. and Montemerlo, D. (1998). *When leadership is multiple: how to build up and manage effective "teams at the top" in extended family business*. Paper presented at FBN 9th Annual World Conference, Paris.

Corbetta, G. and Montemerlo, D. (1999). Ownership, governance, and management issues in small and Medium-Size family businesses: A comparison of Italy and the United States. *Family business review*, **12** (4), 361-374.

Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on "comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence". *Entrepreneurship Theory and Practice*, *28*(4), 355-362.

Corbetta, G., & Salvato, C. A. (2004). The board of directors in family firms: one size fits all?. *Family Business Review*, *17*(2), 119-134.

Corbin, J. M. and Strauss, A. L. (2008). *Basics of qualitative research: Techniques and procedures for developing grounded theory*. 3rd ed., Los Angeles, Sage Publications, Inc.

Craig, J. B. and Moores, K. (2010). Championing Family Business Issues to Influence Public Policy: Evidence from Australia. *Family Business Review*, **23** (2) 170-180.

Creswell, J. (1998). *Qualitative inquiry and research design: Choosing among five traditions*. Sage Publication.

Creswell, J. W. (2003). *Research design. Qualitative, quantitative and mixed methods approaches*. 2nd ed., Thousand Oaks, Sage.

Creswell, J.W. (1994). *Research Design: Qualitative and Quantitative approaches*. London, Sage Publications.

Crotty, M. (1998). *The foundations of social research: meaning and perspective in the research process*. London, Sage Publications.

Curchill, N. C. and Hatten, K. J. (1997). Non-market-based transfers of wealth and power: A research framework for family business. *Family business review*, **10** (1), 53-67.

Curtis, G. E., & Hooglund, E. (2008). *Iran: A Country Study: Area handbook series, Federal Research Division, Library of Congress*. Government Printing Office.

Daily, C. M. and Dollinger, M. J. (1992) An empirical examination of ownership structure in family and professional managed firms. *Family Business Review*, **5** (2), 117-36.

Dalpiaz, E., Tracey, P. and Phillips, N. (2014). Succession narratives in family business: The case of Alessi. [online]. *Entrepreneurship theory and practice*. Last accessed 9 October 2014 at: http://onlinelibrary.wiley.com/doi/10.1111/etap.12129/full

Danco, L. A., and Jonovic, D. J. (1981). *Outside Directors in the Family Owned Business*. Cleveland, The University Press.

Danes, S. M. Loy, J. T. C. and Stafford, K. (2008) Business planning practices of family-owned firms within a quality framework. *Journal of Small Business Management*, **46** (3): 395-421.

Danes, S. M., & Lee, Y. G. (2004). Tensions generated by business issues in farm business-owning couples*. *Family Relations*, *53*(4), 357-366.

Danes, S. M., & Morgan, E. A. (2004). Family business-owning couples: An EFT view into their unique conflict culture. *Contemporary Family Therapy*,*26*(3), 241-260.

Danes, S. M., Lee, J., Amarapurkar, S., Stafford, K., & Haynes, G. (2009a, January). Determinants of family business resilience after a natural disaster. Paper presented at the meeting of the United States Association for Small Business and Entrepreneurship ,Anaheim, CA.

Danes, S. M., Zuiker, V., Kean, R., & Arbuthnot, J. (1999). Predictors of family business tensions and goal achievement. *Family Business Review*, *12*(3), 241-252.

Das, T. K. and Teng, B. (1998). Between trust and control: Developing confidence in partner cooperation in alliances. *Academy of management review*, **23** (3), 491-512.

Dastmalchian, A., Javidan, M., & Alam, K. (2001). Effective leadership and culture in Iran: An empirical study. *Applied Psychology*, *50*(4), 532-558.

Davenport, T. H. and Prusak, L. (1998). *Working knowledge: How organizations manage what they know*. Harvard Business Press.

Davis, H. and Scase, R. (1985), Western Capitalism and State Socialism: An Introduction, Basil Blackwell, Oxford.

Davis, J. A. and Klein, S. (2005). Succession. In: Kenyon-Rouvinez, D. and Ward, J. L. (eds.). *Family Business Key Issues*. New York, Palgrave Macmillan, 59-71.

Davis, J. A. and Tagiuri, R. (1989) The influence of life stage on father-son work relationships in family companies. *Family Business Review*, 2 (1): 47-74.

Davis, P. (1983). Realizing the potential of the family business. *Organizational Dynamics*, *12*(1), 47-56.

Davis, P. and Stern, D. (1988). Adaptation, survival, and growth of the family business: An integrated systems perspective. *Family Business Review*, **1** (1), 69-85

Davis. A. and Tagiuri, R. (1991). Bivalent attributes of the family firm. In: Aronoff, C. E. and Ward, L. (Eds.). *Family business sourcebook*. Santa Barbara, Omnigraphics, Inc., 62-73.

De Pontet, S., Wrosch,.C. and Gagne, M. (2007). An Exploration of the Generational Differences in Levels of control Held Among Family Businesses Approaching Succession. *Family Business Review*, **XX** (4), 337-354.

De Ruyter, K., & Scholl, N. (1998). Positioning qualitative market research: reflections from theory and practice. *Qualitative market research: An international journal*, *1*(1), 7-14.

Dean, S. M. (1992) Characteristics of African American family-owned businesses in Los Angeles. *Family Business Review*, **5** (4), 373-95.

Debicki, B. J., Matherne, C. F., Kellermanns, F. W., & Chrisman, J. J. (2009). Family business research in the new millennium an overview of the who, the where, the what, and the why. *Family Business Review*, *22*(2), 151-166.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do Family Firms Have Better Reputations Than Non-Family Firms? An Integration of Socioemotional Wealth and Social Identity Theories. *Journal of management Studies*, *50*(3), 337-360.

Deniz, M. D. L. C. D., & Suárez, M. K. C. (2005). Corporate social responsibility and family business in Spain. *Journal of Business Ethics*, *56*(1), 27-41.

Denzin, N.K. and Lincoln, Y. (2000). Introduction: entering the field of qualitative research. In Denzin, N.K. and Lincoln, Y. (eds.). *Handbook of Qualitative Research*. London, Sage Publications.

Denzin. Norman K. and Lincoln. Yvonna S. (2005). The Sage handbook of qualitative research. Sage.

Dey, I. (1993). *Qualitative data analysis: A user-friendly guide for social scientists*. Routledge.

Diener, E. and Crandall, R. (1978). *Ethics in social and behavioural research*. University of Chicago Press.

Distelberg, B., & Sorenson, R. L. (2009). Updating systems concepts in family businesses. A focus on values, resource flows, and adaptability. *Family Business Review*, *22*(1), 65-81.

Donckels, R. and Fröhlich, E. (1991). Are family businesses really different? European experiences from Stratos. *Family business review*, **4** (2), 149-160.

Donnelley, R. G. (1988). The family business. *Family Business Review*, *1*(4), 427-445.

Doole, I. (2000). *How small and medium sized enterprises learn to compete effectively on international markets*. PhD Thesis. Sheffield Hallam University.

Doyle. P. (1998). Marketing Management and Strategy. 2nd ed., Prentice Hall.

Dumas, C. (1989). Understanding of father-daughter and father-son dyads in family-owned businesses. *Family Business Review*, *2*(1), 31-46.

Dunn, B. (1995). Success themes in Scottish family enterprises: Philosophies and practices through the generations. *Family Business Review*, **8** (1), 17-28.

Dunn, B. (1996). Family enterprises in the UK: a special sector? *Family Business Review*, **9** (2), 139-155

Dunn, B. and Hughes, M. (1995). *Themes and Issues in the Recognition of Family Businesses in the United Kingdom. Family Business Review*, **8** (4), 267-291.

Dunne, E., Wrosch, C., & Miller, G. E. (2011). *Goal disengagement, functional disability, and depressive symptoms in old age.* Unpublished manuscript.

Dyck, B., Mauws, M., Starke F.A. and Mischke, G. A. (2002). Passing the baton: the importance of sequence, timing, technique and communication in executive succession. *Journal of Business Venturing*, **17** (2), 143-162.

Dyer, W. G. (1986). *Cultural Change in Family Firms: Anticipating and Managing Business and Family Transitions*. San Francisco, Jossey-Bass.

Dyer, W. G. (1988). Culture and continuity in family firms. *Family business review*, **1** (1), 37-50.

Dyer, W. G. (2006). Examining the "family effect" on firm performance. *Family business review*, **19** (4), 253-273.

Dyer, W. G. Jr. and Handler, W. (1994). Entrepreneurship and family business: exploring the connections. Entrepreneurship: Theory and Practice, 19(1): 71-83.

Eddleston, K. A., Chrisman, J. J., Steier, L. P., & Chua, J. H. (2010). Governance and trust in family firms: An introduction. *Entrepreneurship Theory and Practice*, *34*(6), 1043-1056.

Edwards, G and Gill, R, (2012). Transformational leadership across hierarchical levels in UK manufacturing organisations, Leadership & Organisation Development Journal, Vol 33, No 1, pp 25-50.

Eggers, J. H., Leahy, K. T. and Churchill, N. C. (1994). *Stages of small business growth revisited: Insights into growth path and leadership/management skills in low*-and high-growth companies. INSEAD.

European Commission. (2003). Helping the transfer of businesses: A "good practice guide" of measures for supporting the transfer of businesses to new ownership. Luxembourg, Enterprise Publications.

European Commission. (2006). Implementing the Lisbon Community Programme for growth and jobs: Transfer of businesses - Continuity through a new beginning. Brussels, Communication from the Commission to the Council, European Parliament, European Economic and Social Committee and Committee of the Regions.

Family Business Magazine (2004), "World's 250 largest family businesses", Family Business Magazine, available at: www.familybusinessmagazine.com/topglobal.html (accessed October 25, 2014).

Farkas. Flórián , Obrusanszky. Borbála , Journal of the Gábor Bálint de Szentkatolna Society, Volume I., Issue 3, available at: www.federatio.org/joes.html. (Last access December 18,2014)

Feltham, T. S., Feltham, G., & Barnett, J. J. (2001). Are Canadian Family Businesses Ready for Succession. Canadian Journal of Policy Research, 2(4).

Feltham, T. S., Feltham, G., & Barnett, J. J. (2005). The Dependence of Family Businesses on a Single Decision-Maker*. Journal of Small Business Management, 43(1), 1-15.

Fisher, W. B., Avery, P., Hambly, G. R., & Melville, C. (1991). *The cambridge history of Iran* (Vol. 7). Cambridge University Press.

Fitzgerald, L.. and Dopson, S. (2009). Comparative cade study design: Their utility and development in organisational research. In: Buchanan, D. A. and Bryman, A. (eds.). *Organizational Research Methods*. London, Sage, 465-484.

Fletcher, D. (2002). *Understanding the small family business*. Routledge.

Fletcher, D., Melin, L. and Gimeno, A. (2012). *Culture and values in family business - A review and suggestions for future research. Journal of family business strategy*, **3** (3), 127-131.

French, J. and Raven, B. H. (1959). The bases of social power. In: Cartwright, D. (Ed.). *Studies of Social Power*. Research Centre for Group Dynamics, Institute for Social Research, University of Michigan, 259-269.

Freud, S. (2002). Civilization and its discontents. Penguin UK.

Gagnè, M., Wrosch, C., & de Pontet, S. B. (2011). Retiring From the Family Business The Role of Goal Adjustment Capacities. *Family Business Review,24*(4), 292-304.

Galford.R, Seibold.A.D, (2003), The enemies of trust, Harvard business review.

Gallo, M. A. (1998). Ethics in personal behavior in family business. *Family Business Review*, *11*(4), 325-335.

Gallo, M. Á. (2004). The family business and its social responsibilities. *Family Business Review*, *17*(2), 135-149.

Gallo, M. Á., Tàpies, J., & Cappuyns, K. (2004). Comparison of family and nonfamily business: Financial logic and personal preferences. *Family Business Review*, *17*(4), 303-318.

Gaskill, L. R., Auken, H. E. V., & Manning, R. A. (1993). A factor analytic study of the perceived causes of small business failure. Journal of Small Business Management, 31(4), 18–31.

Geertz, C. (1973). The interpretation of cultures: Selected essays. Basic Books.

Gersick, K. & Feliu, N. (2013). Governing the family enterprise: Practices, performance, and research. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), The SAGE handbook of family business (Ch. 11). London: Sage.

Gersick, K. E. (1997). *Generation to generation: Life cycles of the family business*. Harvard Business Press.

Gersick, K. E., Davis, J. A., & Hampton, M. y Lansberg, I., 1997. *Generation to generation: life cycles of the family business*.

Gersick, K. E., Lansberg, I., Desjardins, M., & Dunn, B. (1999). Stages and transitions: Managing change in the family business. *Family Business Review*,*12*(4), 287-297.

Gersick, K. et al. (1997). *The life cycles of Businesses*. Harvard Business School Press, Boston.

Gibbert, M. and Krause, H. (2002). Practice exchange in a best practice marketplace. In: Davenport, T. H. and Probst, G. J. E. (eds.). *Knowledge management case book: Siemens best practices*. Publicis Corporate Pub/John Wiley & Sons, Munich, 89-105.

Gibson, K. (2002). *A case for the family-owned conglomerate*. McKinsey Quarterly, Autumn 2002.

Giddens, A. (1977). *New Rules of sociological method*. London, Hutchinson.

Giddens, A. (1979). *Central problems in social theory: Action, structure, and contradiction in social analysis* (Vol. 241). Univ of California Press.

Gigoutzi, M., Nijkamp, P. and Storey, D. (Eds) (1988), Small and Medium-size Enterprises and Regional Development, Routledge, London.

Gilding, M., Gregory, S. and Cosson, B. (2013). Motives and outcomes in family business succession planning. [online]. *Entrepreneurship theory and practice*. Last accessed 9 October 2014 at: http://onlinelibrary.wiley.com/doi/10.1111/etap.12040/pdf

Gill, J. and Johnson, P. (2006). *Research Method for Managers*. 3rd ed., Los Angeles, CA, London Sage.

Gill, J., Johnson, P. and Clark, M. (2010). *Research methods for managers*. 4th ed., London, SAGE.

Glaser, B . G. and Strauss, A. L. (1967). The discovery of grounded theory. Chicago,, Aldin.

Goel, S., Jussila, I., & Ikäheimonen, T. (2013). Governance in family firms: A review and research agenda. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), The SAGE handbook of family business (Ch. 12). London: Sage.

Goffee, R. and Scase, R. (Eds), Entrepreneurship in Europe: The Social Processes, in Italy", London, pp. 12-25.

Goffee.R, (1996), "Understanding family businesses: issues for further research", London Business School, London International Journal of Entrepreneurial Behaviour & Research, Vol. 2 No. 1, pp. 36-48.

Goldberg, S. (1996). Research Note: Effective Successors in Family-Owned Businesses: Significant Elements. *Family Business Review*, **IX** (2), 185-197.

Goldberg, S. D. and Wooldridge, B. (1993). Self-confidence and managerial autonomy: Successor characteristics critical to succession in family-owned firms. Family Business Review, 6(1): 55-73.

Goles T. and Hirschheim R. (2000). The paradigm is dead, the paradigm is dead... long live the paradigm: the legacy of Burrell and Morgan. *The International Journal of management Science*, 28, 249-268.

Gomez-Mejia, L. R., Cruz, C., Berrone, P., & De Castro, J. (2011). The bind that ties: Socioemotional wealth preservation in family firms. *The academy of management annals*, *5*(1), 653-707.

Goodman CE (1988) Like father, like daughter: a new vision for family business. In: Aronoff CE, Ward JL (eds) Family Business Sourcebook. Detroit: Omnigraphics, 512–17.

Gordon, G., & Nicholson, N. (2008). Family Wars: Classic Conflicts in Family and how to Deal with Them, London: Kogan Page, Family Business Review 2009 22: 97.

Goulding, C. (2005). Grounded theory, A practical guide for management, business, and market researchers. London, SAGE Publication.

Goulding, P. J., Baum, T. G., & Morrison, A. J. (2005). Seasonal trading and lifestyle motivation: Experiences of small tourism businesses in Scotland. .*Journal of Quality Assurance in Hospitality & Tourism*, *5*(2-4), 209-238.

Greasley, K., Bryman, A., Dainty, A., Price, A., Soetanto, R., and King, N. (2005). Employee perceptions of empowerment. *Employee Relations*, 27 (4), 354-368.

Green, S., & Pryde, P. L. (1989). *Black entrepreneurship in America*. Transaction Publishers.

Grote, J. (2003). Conflicting generations: A new theory of family business rivalry. *Family Business Review*, *16*(2), 113-124.

Guba, E. G. (ed.). (1990). *The paradigm dialog*. Newbury Park, Sage.

Guba, E. G. and Lincoln, Y. S. (1994). *Competing paradigms in qualitative research*. In: Denzin, N. K. and Lincoln, Y. S. (eds.). *Handbook of qualitative research*, London, Sage, 105-116.

Guerin, P. J. (ed.) (1976). *Family Therapy: Theory and Practice*. New York, Gardner Press.

Guido, C. and Daniela, M. (1999). A Comparison of Italy and the United States Ownership, Governance, and Management Issues in Small and Medium-Size Family Businesses. *Family Business Review*, **12** (4), 361-374.

Gummesson E. (2000). *Qualitative methods in management research.* 2nd edn., Sage Publication, Inc.

Gummesson, E. (1999). *Total relationship Marketing.* Oxford, Butterworth-Heinemann.

Haag, K. (2012). *Rethinking family business succession: From a problem to solve to an ongoing practice.* Jönköping International Business School. [Online]. Last accessed 24 December 2014 at: http://www.diva-portal.org/smash/get/diva2:545887/FULLTEXT01.pdf

Habbershon, T. G., & Astrachan, J. H. (1997). Research note perceptions are reality: How family meetings lead to collective action. *Family Business Review*, *10*(1), 37-52.

Haberman, H. and Danes, S. M. (2007) Father-Daughter and Father-Son Family Business Management Transfer Comparison: Family FIRO Model Application. Family Business Review, 20(2): 163-184.

Haleblian, J. and Finkelstein, S. (1993). Top Management Team Size, CEO Dominance, and Firm Performance: The Moderating Roles of Environmental Turbulence and Discretion. *The Academy of Management journal*, **36** (4), 844-863.

Haley, J. (1976). *Problem-Solving Therapy: New Strategies for Effective Family Therapy*. San Francisco, Jossey-Bass.

Hambrick, D. C. (1981). Environment, strategy, and power within top management teams. *Administrative Science Quarterly*, **26**, 253-276.

Hambrick, D. C. and Mason, P. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, **9**, 193-206.

Handler, W. C. (1989). Methodological issues and considerations in studying family businesses. *Family business review*, *2*(3), 257-276.

Handler, W. C. (1989a). Managing the family succession process: The next generation family member's experience. Unpublished doctoral dissertation, School of Management, Boston University, USA.

Handler, W. C. (1989b). Methodological issues and considerations in studying family Businesses. Family Business Review, 2(3): 257-276.

Handler, W. C. (1990). Succession in family-owned firms: A mutual role adjustment between entrepreneur and next-generation family members. Entrepreneurship Theory and Practice, 15(1): 37-51.

Handler, W. G. and Kram, K. E. (1988). Succession in Family Firms: The Problem of Resistance. *Family Business Review*, **1** (4), 361-382.

Handler. W.C., (1992), 'Succession Experiences of the Next Generation', Family Business Review, V(3) 283–307.

Harvey, M. and Evans, R. (1994). Family business and multiple levels of conflict. *Family Business Review*, **7** (4): 331-348.

Hatch, M. J. (1997). *Organization theory: Modern, symbolic, and postmodern perspectives*. Oxford, Oxford University Press.

Haynes, G.W., Walker, R., Rowe, B.R., Hong, G.S., 1999. The intermingling of business and family finances in family-owned businesses. Fam. Bus. Rev. 12, 225–239.

Hazan, C. and Shaver, P. R. (1990). Love and work: An attachment-theoretical perspective. *Journal of personality and social psychology*, **59** (2), 270-280.

Heck, R.K.Z., Stafford, K., 2001. The vital institution of family business: economic benefits hidden in plain sight.

Herbert, M. G. (1934). *Mind, self, and society*. Chicago, University of Chicago.

Heyden, L. V., Blondel, C. and Carlock, R. S. (2005). Fair process: Striving for justice in family business. *Family business review*, **18** (1), 1-21.

Higginson, N. (2010). Preparing the next generation for the family business: Relational factors and knowledge transfer in mother-to-daughter succession. *Journal of management & marketing research*, **4**, 1-18.

Hisrich, R. D. and Fulop, G. (1997). Women entrepreneurs in family business: the Hungarian case. *Family Business Review*, **10** (3), 281-302.

Hodge, D. R. (2000). Spiritual encompass: A new diagrammatic tool for assessing marital and family spirituality. *Journal of marital and family therapy*, **26** (2), 217-228.

Hofstede, G. (1991), Culture and Organizations, McGraw-Hill, London.

Hogg, M.K. and Maclaren, P. (2008). Rhetorical issues in writing interpretivist consumer research. *Qualitative Market Research: An International Journal*, 11, (2), 130-46.

Holland, J. (1998). Private voluntary disclosure, financial intermediation and market efficiency. Journal of Business Finance and Accounting, 25(1): 29-68.

Hollander, B. S. and Bukowitz, W. R. (1990). Women, family culture, and family business. *Family Business Review*, **3** (2), 139-151.

Hollander, B. S. and Elman, N. S. (1988). Family-owned businesses: An emerging field of inquiry. Family Business Review, 1(2): 145-164.

Hood, C. (2006). Gaming in the target world: the targets approach to managing British public services. Public Administration Review, 66(4): 515-521.

Hoover, R. S. and Koerber, A. L. (2011). Using NVivo to answer the challenges of qualitative research in professional communication: Benefits and best practices tutorial. *Professional communication, IEEE transactions on*, **54** (1), 68-82.

Howorth, C., Rose, M., Hamilton, E. and Westhead, P. (2010). Family firm diversity and development: an introduction. International Small Business Journal, 28: 437- 451.

Hoy, F., & Verser, T. (1994). Emerging business, emerging field: Entrepreneurship and the family firm. Entrepreneurship Theory and Practice, 19(1), 9-24.

Hubler, T. (1999). Ten most prevalent obstacles to Family-Business succession planning. *Family business review*, 12 (2), 117-121.

Hubler, T. (2002). Ten most prevalent obstacles to family-business succession planning,[w:] family business sourcebook, red. CE Aronoff, JH Astrachan, JL Ward.

Hughes, J. E. and Rubin, M. B. (2005). Family wealth: keeping it in the family. *Family Business Review*, **8** (2), 171-7.

Hunt, J. G., Osborn, R. N. and Schuler, R. S. (1978). Relations of discretionary and nondiscretionary leadership to performance and satisfaction in a complex organisation. *Human Relations*, **31**, 507-523.

Hunt, S.D. (1994). On rethinking marketing: our discipline, our practice, our methods. *European Journal of Marketing*, 28 (3), 13-25.

Hurley.R.F, (2006), The Decision to Trust, Harvard business review.

Huse, M. (2005). Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. British Journal of Management, 16(Suppl. s1), 65–79.

Huse, M., & Landström, H. (2002). Teaching Corporate Governance: Challenges for Research and Practice. In *EURAM conference Stockholm*.

Hyde, K. (2000). Recognising deductive processes in qualitative research. *Qualitative Market Research. An International Journal*, 3 (2), 82-90.

Ibrahim, A. B., Soufani and Lam, (2004). Patterns in strategy formation in a family firm. *International journal of entrepreneurial behaviour & research*, **10** (1/2), 127-140.

IFERA (2003), "Family business dominate", Family Business Review, Vol. 16 No. 4, pp. 235-9.

İnal, G. (2008) *A comparative study of the reasons for and means of setting up a small business: the case of Turkish Cypriot restaurateurs and lawyers in North Cyprus and Britain*. PhD thesis, Queen Mary, University of London.

Jackson, B. and Parry, K. W. (2007). *A very short, fairly interesting and reasonably cheap book about studying leadership*. Thousand Oaks, Sage Publications.

Jaffe, D. T. and Lane, S. H. (2004). Sustaining a family dynasty: Key issues facing complex multigenerational Business-and Investment-Owning families. *Family business review*, **17** (1), 81-98.

Jalali, S. H. (2012). Environmental determinants, entrepreneurial orientation and export performance: Empirical evidence from Iran. *Serbian journal of management*, **7** (2), 245-255.

James, B., & Bell, J. (2013). Evaluating the Effects of Business Pre-Planning Coursework on Student Entrepreneurial Intentions. Small Business Institute®, 96.

James, H. S. (1999). What can the family contribute to business? examining contractual relationships. *Family business review*, **12** (1), 61-71.

Janis, I. L. (1982). Groupthink (2nd ed.). Boston, MA: Houghton Mifflin.

Janjuha-Jivraj, S., & Spence, L. J. (2009). The nature of reciprocity in family firm succession. *International Small Business Journal*, *27*(6), 702-719.

Jehn KA (1997) A qualitative analysis of conflict types and dimensions in organizational groups. Administrative Science Quarterly 42: 530–57.

Jehn, K. A., & Mannix, E. A. (2001). The dynamic nature of conflict: A longitudinal study of intragroup conflict and group performance. *Academy of management journal*, *44*(2), 238-251.

Jensen, M. C. (1994). Self-interest, altruism, incentives and agency theory. Journal of Applied Corporate Finance, 7: 40-45.

Jensen, M. C. (2000). Value Maximization, Stakeholder Theory and the Corporate Objective Function. Working Paper 00-0058. Boston: Harvard Business School.

Jensen, M. C. and Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3: 305- 360.

Johannisson, B. (1987), "Entrepreneurship in a corporatist state: the case of Sweden", in Goffee, R.and Scase, R. (Eds), Entrepreneurship in Europe: The Social Processes, Croom Helm, London,pp. 131-43.

Johannisson, B. and Huse, M. (2000). Recruiting outside board members in the small family business: an ideological challenge. *Entrepreneurship and Regional Development*, 12 (4), 353-378.

Johnson, P. (1998) "Analytical Induction". In: Cassell, C. and Symon, G. (eds.) *Qualitative Methods and Analysis in Organisational Research*. London: Sage Publications.

Johnson, P. and Duberley, J. (2000). *Understanding management research: An introduction to epistemology*, Sage.

Joyce Heames, Jack Smothers, Mario Hayek, Leigh Ann Bynum, Milorad M. Novicevic, M. Ronald Buckley, Shawn Carraher. 2010. Alfred D. Chandler, Jr: historical impact and historical scope of his works. *Journal of Management History* 16:4, 521-526.

Jurinski, J. J. and Zwick, G. A. (2001). How to prevent and solve operating problems in the family business. *Practical lawyer-Philadelphia*, **47** (2), 37-44.

Kapoulas, A. and Mitic, M. (2012). Understanding challenges of qualitative research: rhetorical issues and reality traps. Qualitative Market Research: An International Journal, 15 (4), 354-368.

Karataş-Ozkan. Erdogan. A, Nicolopoulou.A.K (2011), Women in Turkish family businesses: Drivers, contributions and challenges. *International Journal of Cross Cultural Management*, **11** (2), 203-219.

Kaye. K. (1996). *When Family Business Is a Sickness*. [online]. Family Firms Institute. Last accessed 9 October 2014 at: http://c.ymcdn.com/sites/www.ffi.org/resource/resmgr/best_of_fbr_english/bestoffbrii_kaye_whenthefami.pdf

Kellermanns, F. W., & Eddleston, K. A. (2006). Corporate entrepreneurship in family firms: A family perspective. *Entrepreneurship Theory and Practice*,*30*(6), 809-830.

Kellermanns, F.W. & Eddleston, K.A. (2004). Feuding families: When conflict does a family firm good. Entrepreneurship Theory and Practice, 28(3), 209–228.

Kellermanns, F.W., Eddleston, K.A., Barnett, T., & Pearson, A. (2008). An exploratory study of family member characteristics and involvement: Effects on entrepreneurial behavior in the family firm. Family Business Review, 21(1), 1–14.

Kenyon-Rouvinez, D. and Ward, J. L. (2004). *Family business: Key issues*. Palgrave Macmillan.

Kets de Vries, M. (1993). The dynamics of family controlled firms: The good and the bad news. Organizational Dynamics, 21(3), 59–71.

Kets de Vries, M. F. R. (1996). *Family Business: Human Dilemmas in the Family Firm*. London, International Thomson Business Press.

Kidwell, R. E. et al. (2013). How one bad family member can undermine a family firm: Preventing the Fredo effect. *Business horizons*, **56** (1), 5-12.

Kim.W. C. and Mauborgne. R., 1997, 'Fair Process: Managing in the Knowledge Economy', Harvard Business Review, 75- 69.

King, N. (2011). Using interviews in qualitative research. In: E*ssential guide to qualitative methods in organisational research*, Cassell, C. and Symon, G. (eds.) Sage Publication.

King, N. and Horrock, S. C. (2010). *Interviews in qualitative research*. London, SAGE.

Kotter, J. P. (1985). *Power and Influence: Beyond Formal Authority*. New York, Free Press.

Kwan, H. K., Lau, V. P. and Au, K. (2011). Effects of Family-to-Work Conflict on Business Owners: The Role of Family Business. Family Business Review, 20(10): 1-13.

Lachapelle, K. and Barnes, L. B. (1998). The trust catalyst in Family-Owned businesses. *Family business review*, **11** (1), 1-17.

Lambrecht, J. and Uhlaner, L. (2005). Responsible ownership of the family business: State-of-the-art. In: FBN-IFERA World Academic Research Forum, EHSAL Brussels, Belgium.

Landsberg, I. S. (1999). *Succeeding Generations: Realizing the Dream of Families in Business*. Boston, Harvard Business School Press.

Lane, C., & Bachmann, R. (1998). *Trust within and between organizations: Conceptual issues and empirical applications*. Oxford University Press.

Lane, S. H., and Jaffe, D. T. (2004). Sustaining a family Dynasty: Key Issues facing complex Multigenerational Business-and investment-owning families. *Family Business Review*, **17** (1), 81-98.

Lansberg, I. (1988). The succession conspiracy. *Family business review*, *1*(2), 119-143.

Lansberg, I., & Astrachan, J. H. (1994). Influence of family relationships on succession planning and training: The importance of mediating factors. *Family Business Review*, *7*(1), 39-59.

Lansberg, I., Gersick, K. E., Davis, J. A., & McCollom, M. H. (1997).*Empresas familiares*. McGraw-Hill Interamericana.

La-Porta, R., Lopez-de-Silanes, F. and Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, 54, 471-517.

Larsen, E. A. (2006). The impact of occupational sex segregation on family businesses: the case of American harness racing. *Gender, Work and Organization*, 13 (4), 359-382.

Laurent, A. (1983), "The cultural diversity of western conceptions of management", International Studies of Management and Organization, Vol. 13, pp. 75-96.

Layder, D. (1993). *New strategies in social research*. Cambridge, Polity.

Le Breton-Miller. I., Miller, D. and Steier, L. (2004). Toward an integrative model of FOB succession. *Entrepreneurship Theory and Practice*, 28 (4), 305-328.

Leach, P. (1990). Managing the Family Business in the UK. *Stoy Hayward, London*.

Leach, P. (1994). *the story Heyward Guide to the Family Business*. 2nd ed., London, Kogan.

Leach, P. (2011). *Family businesses: The essentials*. Profile Books.

Leach, P. and Bogod, T. (1999). *Guide to the family business*. Kogan Page Publishers.

Leach, P., Kenway-Smith, W., Hart, A., Morris, T., Ainsworth, J., Beterlsen, E., Iraqi, S., & Pasari, V. 1990: *Managing the Family Business in the UK: A StoyHayward Survey in Conjunction with the London Business School.* London: Stoy Hayward.

Lee, J. (2004). The effects of family ownership and management on firm performance. *SAM Advanced Management Journal*, *69*(4), 46.

Leech, Nancy L. and Onwuegbuzie, Anthony J. (2011). Beyond constant comparison qualitative data analysis: Using NVivo. School psychology quarterly, 26 (1), 70.

Lerner, M., & Malach-Pines, A. (2011). Gender and culture in family business: A ten-nation study. *International Journal of Cross Cultural Management*, *11*(2), 113-131.

Levinson, H. (1971). Conflicts that plague family businesses. *Harvard Business Review*, *49*(2), 90-98.

Levsin, H. (1971). Harvard Business Review .

Lewis, R. D. (2005). *When cultures collide: leading across cultures: a major new edition of the global guide*. Nicholas Brealey International.

Lieblich, A. (1998) *Narrative research: Reading, analysis and interpretation*. Thousand Oaks, CA: Sage Publications.

Lincoln, Y. S. and Guba, E. G. (2000). Paradigmatic controversies, contradictions, and emerging confluences. In Denzine, N. K. and Lincoln, Y. S. (eds.). *The handbook of qualitative research*. (2nd edition), London, Sage, 163-188.

Litz, R. A. (1995). The family business: Toward definitional clarity. *Family business review*, 8 (2), 71-81.

Litz, R. A. (1997). The family firm's exclusion from business school research: Explaining the void, addressing the opportunity. Entrepreneurship Theory and Practice, 21: 55-71.

Locke, E. A. (2007). The Case for Inductive Theory Building. *Journal of Management,* 33 (6), 867-890.

Long, R. G., et al. (2014). *Management succession in family business*. Sage Thousand Oaks, CA.

Longenecker, J. G. and Schoen, J. E. (1975). *An Empirical Investigation of Pre-Entry Socialization of Successors for Leadership in Family-Controlled Businesses*. Management Perspectives on Organizational Effectiveness, Southern Management Association.

Longenecker, J. G., and Schoen, J. E. (1978). Management Succession in Family Business. *Journal of Small Business Management*, 16 (3), 1-6.

Lubatkin, M. H. et al. (2005). The effects of parental altruism on the governance of family-managed firms. *Journal of organizational behavior*, 26 (3), 313-330.

Lubatkin, Michael H., et al. (2005). The effects of parental altruism on the governance of family-managed firms. Journal of organizational behavior, 26 (3), 313-330.

Lyman AR, Salganicoff M, and Hollander B (1985) Women in family business: an untapped resource. In: Aronoff CE, Ward J: (eds) Family Business Sourcebook. Detroit: Omnigraphics, 460–3.

Lyman, A. R. (1991) Customer service: Does family ownership make a difference? *Family Business Review,* **4** (3), 303-324.

M.F.R. Kets de Vries, Family Business: Human Dilemmas in the Family Firm (London: International Thomson Business Press, 1996) p. 63.

de Vries, M. F. K., & Carlock, R. S. (2010). *Family business on the couch: A psychological perspective*. John Wiley & Sons.

Martinez, J. I., Stohr, B. S., & Quiroga, B. F. (2007). Family ownership and firm performance: Evidence from public companies in Chile. *Family Business Review*, *20*(2), 83-94.

Massis, A. D., Chua, J. H. and Chrisman, J.J. (2008). Factors preventing intra-family succession. *Family Business Review*, **21** (2), 183-228.

Mastroberardino, P. et al. (2009). Family business: Institutional framework and entrepreneurial power. *International journal of globalisation and small business*, **3** (4), 463-484.

Mazzola, P., Marchisio, G., & Astrachan, J. (2008). Strategic planning in family business: A powerful developmental tool for the next generation. *Family Business Review*, *21*(3), 239-258.

McCann, G.K., Upton, N. (Eds.), Destroying Myths and Creating Value in Family Business. Stetson University, Deland, FL, pp. 9–17.

McCollom, M. (1992). Organizational Stories in a Family-Owned Business. *Family Business Review*, **5** (1), 3-24.

McConaughy, D. L., & Phillips, G. M. (1999). Founders versus descendants: The profitability, efficiency, growth characteristics and financing in large, public, founding-family-controlled firms. *Family Business Review*, *12*(2), 123-131.

McConaughy, D. L., Walker, M. C., Henderson, G. V., & Mishra, C. S. (1998). Founding family controlled firms: Efficiency and value. *Review of Financial economics*, *7*(1), 1-19.

McConaughy, D., Mendoza, D. and Mishra, C. (1996). Loyola University Chicago Family Firm Stock Index. *Family Business Review*, **9** (2), 125-137.

McCracken, G. (1998). The Long Interview. Newbury Park, CA, Sage Publications.

Mcgoldrick, M., Gerson, R. and Petry, S. S. (1999). *Genograms: Assessment and Intervention*. Norton, NY.

Mcgoldrick.M, Gerson.R and Petry.S. (2008). Genograms: Assessment and intervention. WW Norton & Company.

Mcneish, J. and Mann, I. J. S. (2010). Knowledge sharing and trust in organizations. The IUP journal of knowledge management, 8 (1&2), 18-38.

Mead, G.H. (1934). Mind, self and society. Chicago, IL, Chicago University Press.

Melin, L., Nordqvist, M. and Sharma, P. (2013). The SAGE handbook of family business. Sage.

Meyer, J. P. and Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, **1** (1), 61-89.

Micelotta, E. R., & Raynard, M. (2011). Concealing or revealing the family? Corporate brand identity strategies in family firms. *Family Business Review*, 0894486511407321.

Mikulincer, M. and Shaver, P. R. (2005). Attachment theory and emotions in close relationships: Exploring the attachment-related dynamics of emotional reactions to relational events. *Personal relationships*, **12** (2), 149-168.

Miles, M. B. and Huberman, A. M. (1994). *Qualitative Data Analysis: An expanded coursebook*. 2nd ed., London, Sage.

Miller, D. & Le Breton-Miller, I. (2003). Challenge versus advantage in family business. Strategic Organization, 1(1), 127–134.

Miller, D. and Le Breton-Miller, L. (2014). Deconstructing socioemotional wealth. Entrepreneurship theory and practice, *Entrepreneurship Theory and Practice*, **38** (4), 713-720.

Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Harvard Business Press.

Miller. D, Steier. L, Le Breton-Miller.I. (2003). Lost in time: Intergenerational succession, change, and failure in family business. Journal of Business Venturing , 18, 513-531.

Milton, L. P. (2008). Unleashing the relationship power of family firms: Identity confirmation as a catalyst for performance. *Entrepreneurship theory and practice*, **32** (6), 1063-1081.

Mingers, J. (2006). A critique of statistical modelling in management science from a critical realist perspective: its role within multimethodology, Kent business school, university of Kent, UK. *Journal of the operational research society,* 57, 202-219.

Mintzberg, H. (1979). *The Structuring of Organization*. Engleeood Cliffs, Prentice-Hall.

Mintzberg, H. (1994). *Rise and fall of strategic planning*. Simon and Schuster.

Minuchin, S. (1974). *Families and Family Therapy*. Cambridge, Harvard University Press.

Mitchell, J. R., Hart, T. A., Valcea, S., & Townsend, D. M. (2009). Becoming the boss: Discretion and postsuccession success in family firms.*Entrepreneurship Theory and Practice*, *33*(6), 1201-1218.

Molly, V., Laveren, E. and Deloof, M. (2010). Family Business Succession and Its Impact on Financial Structure and Performance. *Family Business Review*, **23** (2), 131-147.

Montemerlo, D. and Ward, J. L. (2011). *The family constitution: Agreements to secure and perpetuate your family and your business*. Macmillan.

Moores.K and Salvato.C, Special Issue: Accounting in Family Firms, , *Family Business Review* 2009 22: 185.

Morgan, T. J. and Gomez-Mejia, L. R. (2014). Hooked on a feeling: The affective component of socioemotional wealth in family firms. *Journal of family business strategy*, **5** (3), 280-288.

Morris, M. H., Williams, R. O., Allen, J. A., & Avila, R. A. (1997). Correlates of success in family business transitions. *Journal of business venturing*, *12*(5), 385-401.

Mustakallio M., Autio E., and Zahra S. A. (2002). Relational and Contractual Governance in Family-owned firms: Effects on Strategic Decision Making. Family Business Review, 15: 205-222.

Mustakallio, M. A. (2002). *Contractual and relational governance in family firms: Effects on strategic decision-making quality and firm performance*. Helsinki University of Technology.

Nachmias, D. and Nachmias, C. (1992). *Research method in social science*. NY, St.Martin's.

Narayanan, L., Menon, S., & Spector, P. E. (1999). Stress in the workplace: A comparison of gender and occupations. *Journal of Organizational Behavior*.

Neubauer, F. and Lank, A. G. (1998). The family business: Its governance for sustainability. Routledge.

Neugarten, B. L. (1979). Time, age, and the life cycle. *American Journal of Psychiatry*, *136*, 887-894.

Ngwenyama, O. and Lee, A. (1997). Communication richness in electronic mail: critical social theory and the contextuality of meaning. *MIS Quart,* 21, 145-167.

Niehm, L. S., Swinney, J. and Miller, N. J. (2008). Community social responsibility and its consequences for family business performance. *Journal of Small Business Management*, **46** (3), 331-350.

Nkut, A. (2011). *Leadership for success: A dynamic model of influence*. Author House.

Nordqvist, M. (2012). Understanding strategy processes in family-owned firms: Exploring the roles of actors and arenas. International Small Business Journal, 30(1): 24-40.

Norman K. D. and Yvonna S. L. (2005). *The sage handbook of qualitative research*. Sage.

Ödman, Per-Johon. (1979). Tolkning, fÖrsatelse, vetande, Halmstad, Sweden: AWE/Gebers.

Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K., & Duncan, K. A. (2003). The impact of the family and the business on family business sustainability. *Journal of Business Venturing*, *18*(5), 639-666.

Organ, D. W. and Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organizational citizenship behavior. *Personnel Psychology*, **48**, 775-802.

Orlikowski, W.J. and Baroudi, J.J. (1991). Studying information technology in organizations: Research approaches and assumptions. *Information Systems Research*, **2** (1), 1-28.

Osnes, Gry. (2011). Succession and authority: A case study of an African family business and a clan chief. International Journal of Cross Cultural Management, 11(2): 185-201.

Outhwaite, W. (1975). *Understanding Social Life*. London, Allen and Unwin.

Oxford Dictionary; last accessed on 15/10/2010 via: HYPERLINK "http://www.oxforddictionaries.com/page/worldofwords/world-of-words" www.oxforddictionaries.com/page/worldofwords/world-of-words //

Paradigm Associates (2014). [Online]. Last accessed 20 Vovember 2014 at: www.paradigmassociates.us/images/fambiz/FamBizLifeCycle.jpg

Parker, S. C. (2004). *The economics of self-employment and entrepreneurship*. Cambridge University Press.

Patrick, A. (1986). *Family Business: Offsprings' Perception of Work Satisfaction and Their Working Relationship with Their Father*. Unpublished doctoral dissertation, The Fielding Institute, Cleveland.

Patten. M.L. (2005). *Understanding Research methods, an overview of the essentials.* 5th Ed., Pyrczak Publishing.

Pearson, A. W., Holt, D. T. and Carr, J. C. (2014). *Scales in family business studies. Sage handbook of family business*. London, Sage .

Peiser, R. B. and Wooten, L. M. (1983). Life-Cycle Changes in Small family businesses. *Family business review*, **26** (3), 58-65.

Pelled, L. H., Eisenhardt, K. M., & Xin, K. R. (1999). Exploring the black box: An analysis of work group diversity, conflict and performance. *Administrative science quarterly*, *44*(1), 1-28.

Pendergast, J. M. (2011). *Healthy growth for the family business*. Macmillan.

Perricone, P. J., Earle, J. R. and Taplin, I. M. (2001). Patterns of succession and continuity in family-owned businesses: Study of an ethnic community. *Family business review*, **14** (2), 105-121.

Philiber, S. G., Schwab, M. R. and Samsloss, G. (1980). *Social research: guide to a decision making process*. Itasca, Peacock.

Pieper, T. M. and Klein, S. B. (2007). The Bulleye: a systems approach to modelling family firms. *Family Business Review*, **20** (4), 301-319.

Pittaway, L. (2005), Philosophies in entrepreneurship: a focus on economic theories. International Journal of Entrepreneurial Behaviour & Research 11.3, pp 201-221.

Podsakoff, P. M. and Schriescheim, C. A. (1985). Field studies of French and Raven's bases of power: Critique, reanalysis, and suggestions for future research. *Psychological Bulletin*, **97**, 387-411.

Portal, R. Lopez-De-Silanes, F. and Shleifer, A. (1999). Corporate ownership around the world. *The journal of finance*, **54** (2), 471-517.

Poza, E. (2013). *Family business.* Cengage Learning.

Poza, E., Alfred, T. and Maheshwari, A. (1997). Stakeholder perceptions of culture and management practices in family and family firms-A preliminary report. *Family business review*, **10** (2), 135-155.

Prasad, A. and Prasad, P. (2002). The coming age of interpretive organizational research. *Organizational Research Methods*, 5 (1), 4-11.

Pratt, M. G. (1998). *To be or not to be: Central questions in organizational identification*. Sage Publications, Inc.

Rath, A. (2011). *Review of NVivo 8*. University of Hawai'i Press.

Richards, L. (2005). *Handling qualitative data: A practical guide*. London, SAGE.

Rickards, T. and Clark, M. (2005). *Dilemmas of leadership*. London, Routledge.

Rikards.T and Clark.M (2005). Dilemmas of leadership. London, Routledge.

Riketta, M. (2005). Organizational identification: A meta-analysis. *Journal of vocational behavior*, 66 (2), 358-384.

Riketta, M. and Dick, R. V. (2005). Foci of attachment in organizations: A meta-analytic comparison of the strength and correlates of workgroup versus organizational identification and commitment. *Journal of vocational behavior*, 67 (3), 490-510.

Robson, C. (2002). *Real World Research*. 2nd ed., Oxford, Basil Blackwell.

Rogers, P. et al. (2007). Corporate governance and ownership structure in brazil: Causes and consequences. *Journal of corporate ownership & control*, 5 (2), 36-54.

Rogoff, E. G. and Heck, R. K. Z. (2003). Evolving research in entrepreneurship and family business: Recognizing family as the oxygen that feeds the fire of entrepreneurship. *Journal of business venturing*, 18 (5), 559-566.

Rousseau, D. and Fried, Y. (2001). Location, location, location: contextualising organizational research. *Journal of Organizational Behaviour*, 22, 1-14.

Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. Academy of management review, 23(3), 393-404.

Royer, S., Simons, R., Boyd, B., & Rafferty, A. (2008). Promoting family: A contingency model of family business succession. *Family Business Review,21*(1), 15-30.

Sabah, S. Carsrud, A. L. and Kocak, A. (2014). The impact of cultural openness, religion, and nationalism on entrepreneurial intensity: Six prototypical cases of Turkish family firms. *Journal of small business management*, **52** (2), 306-324. p172

Salvato, C., Chirico, F., & Sharma, P. (2010). A farewell to the business: Championing exit and continuity in entrepreneurial family firms.*Entrepreneurship and Regional Development*, *22*(3-4), 321-348.

Sandelowski, M. (1998). Writing a good read: strategies for re-presenting qualitative data. *Research in Nursing & Health*, 20 (4), 375-82.

Sanders, J. M. and Nee, V. (1996). Immigrant self-employment: The family as social capital and the value of human capital. *American sociological review*, 61 (2), 231-249.

Santiago, A. (2000). *Succession Experience in Philippine*. Family businesses, SAGE.

Sardenberg, D. P. (2013). *Family business agency conflict model: a study of Brazilian firms* (Doctoral dissertation, University of Birmingham).

Sarfaraz, L. and Faghih, N. (2011). Women's entrepreneurship in Iran: A GEM based-data evidence. *Journal of global entrepreneurship research*, 1 (1), 45-57.

Satir, V. (1967). Conjoint Family Therapy. Palo Alto, Science and Behavior Books.

Saunders. M., Lewis. P. and Thornhill, A. (2003). *Research Methods for Business students.* 3rd ed., Harlow, Financial Times Prentice Hall.

Sayadizadeh Group. (2014). [Online].Last access: 25 July 2015: www.sayadizadeh.com

Scase, R. and Goffee, R. (1982), *The Entrepreneurial Middle Class*, Croom Helm, London.

Schein, E. H. (2010). *Organizational culture and leadership*. John Wiley & Sons.

Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003). Toward a theory of agency and altruism in family firms. *Journal of business venturing*, *18*(4), 473-490.

Schulze,W.S., Lubatkin, M.H., & Dino, R.N. (2003). Toward a theory of agency and altruism in family firms. Journal of Business Venturing, 18(4), 473–490.

Sciascia, S., & Mazzola, P. (2008). Family involvement in ownership and management: Exploring nonlinear effects on performance. *Family Business Review*, *21*(4), 331-345.

Scott, J. (1986). *Capitalist Property and financial power*. Harvester, Hassocks.

Scott, J.M. and Mole, K. (2012) 'Business support, firm growth, management development and learning in SMEs', International Journal of Entrepreneurship and Innovation, 13(1): 5-9.

Semati. M, Media, Culture and Society in Iran: Living with Globalization, Routlrdge 2008.

Senge. P.M., The Fifth Discipline: The Art and Practice of the Learning Organization (New York: Doubleday Currency, 1990).

Shaker, A. Z. (2003). International expansion of U.S. manufacturing family, businesses: the effect of ownership and involvement, *Journal of Business Venturing*, 18, 495–512.

Shanker, M. C., & Astrachan, J. H. (1996). Myths and realities: Family businesses' contribution to the US economy—A framework for assessing family business statistics. *Family Business Review*, *9*(2), 107-123.

Shapiro, S. P. (1987). The Social Control of Impersonal Trust. American

Journal of Sociology, 93(3): 623-658.

Shapiro, S. P. (1990). Collaring the crime, not the criminal: reconsidering the concept of whitecollar crime. American Sociological Review, 55: 346-365.

Shapiro, S. P. (2005). Agency Theory. Annual Review of Sociology, 31: 263-284.

Sharma, P. and Irving, P. G. (2005). Four bases of family business successor commitment: Antecedents and consequences. *Entrepreneurship theory and practice*, 29 (1), 13-33.

Sharma, P., & Sharma, S. (2011). Drivers of proactive environmental strategy in family firms. *Business Ethics Quarterly*, *21*(02), 309-334.

Sharma, P., Chrisman, J. J. and Chua, J. H. (2003). Succession planning as planned behavior: Some empirical results. *Family business review*, **16** (1), 1-15.

Sharma, P., Chrisman, J. J., & Chua, J. H. (1997). Strategic management of the family business: Past research and future challenges. *Family business review*, *10*(1), 1-35.

Sharma, P., Chrisman, J. J., & Gersick, K. E. (2012). 25 years of family business review: Reflections on the past and perspectives for the future. *Family Business Review*, *25*(1), 5.

Sharma, P., Hoy, F., Astrachan, J. H. and Koiranen, M. (2007). The practice-driven evolution of family business education. *Journal of Business Research*, 60 (10), 1012-1021.

Sharma, Pramodita (2004). An overview of the field of family business studies: Current status and directions for the future. Family business review, 17 (1), 1-36.

Sharma, Pramodita and Irving, P. G, (2005). Four bases of family business successor commitment: Antecedents and consequences. Entrepreneurship theory and practice, 29 (1), 13-33.

Shepherd, D. and Haynie, J. M. (2009). Family Business, Identity Conflict, and an Expedited Entrepreneurial Process: A Process of Resolving Identity Conflict. Entrepreneurship Theory and Practice, 33(6): 1245-1264.

Shotter, J. (1975). *Image of Man in Psychological Research*. London, Methuen.

Silverman, D. (2000). *Doing qualitative research: A practical handbook*. London, Sage Publications.

Silverman, D. (2005). *Doing Qualitative Research*. 2nd ed., London, Sage Publications.

Silverman, D. (2011). *Interpreting qualitative data: A guide to the principles of qualitative research*. 4th ed., London, SAGE.

Silverman, D. (ed.) (1997). *Qualitative Research: Theory, Method and Practice*. London, Sage Publications.

Sonfield, M. C. and Lussier, R. N. (2002). *Family Firm Ownership and Management: A Gender Comparison*. University of Central Arkansas, Small Business Advancement National Centre.

Sonfield, M. C. and Lussier, R. N. (2004). First-, second-, and Third-Generation family firms: A comparison. *Family business review*, **17** (3), 189-202.

Sonnenfeld, J. A. and Spence, P. (1989). The parting patriarch of a family firm. *Family Business Review*, **2** (4), 355-375.

Sorenson, R. L. (1999). Conflict management strategies used by successful family businesses. *Family business review*, **12** (4), 325-339.

Sorenson, R. L. (2000). The contribution of leadership style and practices to family and business success. *Family business review*, **13** (3), 183-200.

Sorenson, R. L., Brigham, K. H., Holubik, T. E., & Phillips, R. L. (2004). Predictors of longevity in small family firms: An exploratory study. Paper presented at the meeting of the United States Association for Small Business and Entrepreneurship, Dallas, TX.

Sorenson, R. L., Goodpaster, K. E., Hedberg, P. R., & Yu, A. (2009). The family point of view, family social capital, and firm performance an exploratory test. *Family Business Review*, *22*(3), 239-253.

South China Morning Post (2006), "The 33 largest listed companies in Hong Kong", South China Morning Post, Hong Kong, March 31.

Stafford, K., 2002. Financial impact of family based businesses from the 1997 NFBS. Unpublished raw data.

Stafford, K., Bhargava, V., Danes, S. M., Haynes, G., & Brewton, K. E. (2010). Factors associated with long-term survival of family businesses: Duration analysis. *Journal of family and economic issues*, *31*(4), 442-457.

Stake, R. (1995). *The art of case study research*. Thuosand Oaks. SAGE.

Stake, R. (2000). Case Studies. In: Denzin, N. and Lincoln, Y. (eds), *Handbook of qualitative research*, 2nd ed, Thousand Oaks, SAGE.

Stanley, L. J. (2010). Emotions and family business creation: an extension and implications. *Entrepreneurship Theory and Practice*, **34** (6), 1085-1092.

Statistical Centre of Iran, Labor Force Survey Results - Spring 1393 (21 March 2014 - 21 June 2014), available at: www.amar.org.ir, (Last access December 19,2014)

Stavrou, E. T. (1998). A four factor model: a guide to planning next generation involvement in the family firm. *Family Business Review*, **11**(2), 135-41

Steers, R. M., Sanchez-Runde, C. J. and Nardon, L. (2010). *Management across cultures: Challenges and strategies*. Cambridge University Press.

Steers, R. M., Sanchez-Runde, C. J., & Nardon, L. (2010). *Management across cultures: Challenges and strategies*. Cambridge University Press.

Steier, L. P. (2001). Family firms, plural forms of governance, and the evolving role of trust. *Family business review*, 14 (4), 353-368.

Steier, L. P., Chua, J. H. and Chrisman, J. J. (2009). Embeddedness perspectives of economic action within family firms. *Entrepreneurship theory and practice*, 33 (6), 1157-1167.

Stewart, A. (2003). Help One Another, Use One Another: Toward an Anthropology of Family Business. Entrepreneurship Theory and Practice,27(4), 383-396.

Stewart, A. and Hitt, M. A. (2012). Why Can't a Family Business Be More Like a Nonfamliy Business? Modes of Professionalization in Family-owned firms. Family Business Review, 25(1): 58-86.

Strauss, A. and Corbin, J. (1998). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. London, Sage Publications.

Sundaramurthy, C. (2008). Sustaining Trust within Family Businesses. *Family Business Review*, **21** (1), 89-102.

Swogger, G, 'Assessing the Successor Generation in Family Businesses', *Family Business Review*, IV(4)(1991) 397–410.

Symon, G. E., & Cassell, C. E. (1998). *Qualitative methods and analysis in organizational research: A practical guide*. Sage Publications Ltd.

Tagiuri, R. and Davis, J. A. (1982). Bivalent Attributes of the Family Firm. Reprinted (1996) in the "Classics" section of *Family Business Review*, **IX** (2), 199-208.

Tagiuri, R. and Davis, J. (1996). Bivalent attributes of the family firm. *Family business review*, **9** (2), 199-208.

Tannenbaum, R. and Schmid T. W. H. (1958). How to choose a leadership pattern? *Harvard Business Review*, **36**, 95-101.

The Family Business Megazine. [Online]. Last accessed 24 July 2015 at: www.familybusinessmegazine.com

The Final Report of the Expert Group Accounting systems for small enterprises -Recommendations and good practices issued by European Commission Enterprise and Industry Directorate – General Promotion of SMEs' competitiveness – November 2008.

Thomas, D. R. (2006). A general inductive approach for analyzing qualitative evaluation data. *American journal of evaluation*, **27** (2), 237-246.

Thomas, G. (2011). *How to do your case study*. London, SAGE.

Thompson, J.L., Scott, J.M. and Downing, R. (2012) 'Enterprise policy, delivery, practice and research: Largely rhetoric or under-valued achievement?',International Journal of Public Sector Management, 25(5): 332-345.

Tiwari, A. K. (2010). Corporate governance and economic growth. *Economics bulletin*, **30** (4), 2825-2841.

Trevinyo-Rodrıguez, R.N. and Bontis, N. (2007), "The role of intellectual capital in Mexican family-based businesses: understanding their soul, brain and heart", Journal of Information and Knowledge Management, Vol. 6 No. 3, pp. 189-200.

Trevinyo-Rodrıguez. R.N, (2009). "From a family-owned to a family-controlled business, Applying Chandler's insights to explain, family business transitional stages", Instituto Tecnologico y de Estudios Superiores de Monterrey, Monterrey, Mexico, Trompenaars, F. (1993), Riding the Waves of Culture, Economist Books, London.

Upton, N. and Heck, R. (1997) The family business dimension of entrepreneurship. In: Sexton, D. and Smilor, R. (eds). *Entrepreneurship 2000*. Chicago: Upstart Publishing, 243-66.

Vallejo Martos, M. C. (2007). What is a family business? A discussion of an integrative and operational definition. *International journal of entrepreneurship and small business*, **4** (4), 473-488.

Van Der Heyden, L., Blondel, C. and Carlock, R. S. (2005). Fair process: Striving for justice in family business. *Family business review*, **18** (1), 1-21.

Van der Merwe, S. P. (2009). An investigation of the determinants of estate and retirement planning in intergenerational family businesses. *South African Journal of Business Management*, (3), 51-64.

Van der Merwe, S., Venter, E., & Ellis, S. M. (2009). An exploratory study of some of the determinants of management succession planning in family businesses. Management Dynamics: Journal of the Southern African Institute for Management Scientists, 18(4), 2-17.

Van Maanen, J. (1998) “Different strokes: qualitative research in the Administrative Science Quarterly from 1956 to 1996”. In: Van Maanen, J. (ed.), *Qualitative Studies of Organisations*. London: Sage Publications.

Van Maanen, J. (1998). Different strokes: qualitative research in the Administrative Science Quarterly from 1956 to 1996. In: Van Maanen, J. (ed.). *Qualitative Studies of Organisations*. London, Sage Publications.

Van Manen, M. (1990). Researching lived experiences. *State University of New York Press, Albany*.

Van Praag, C. M. (2003). Business survival and success of young small business owners. *Small Business Economics*, *21*(1), 1-17.

Venter, E., Boshoff, C. and Maas, G. (2003). The influence of relational factors on successful succession in family businesses : a comparative study of owner-managers and successors. *South African Journal of Business Management*, 34 (4), 1-13.

Voithofer, P. and Mandl, I. (2004). *Transfer and succession in Austrian family firms*. KMU Forschung Austria. Austrian Institute for SME Research.

Vroom, V. H. and Yetton, P. W. (1973). Leadership and Decision-Making. Pittsburgh, University of Pittsburgh Press.

Walsh, M. (2003). Teaching qualitative analysis using QSR NVivo. *The Qualitative Report*, 8 (2), 251-256.

Walsham, G. (1993). *Interpreting Information Systems in Organisations*. Chichester, John Wiley and Sons.

Walsham, G. (1995). The emergence of interpretivism in IS research. *Information Systems Research*, 6 (4), 376-394.

Walters, M., Carter, B., Papp, P. and Silverstein, O. (1991). *The invisible web: Gender patterns in family relationships*. Guilford Press.

Wang, C., Walker, E., & Redmond, J. (2007). Explaining the lack of strategic planning in SMEs: The importance of owner motivation.

Wang, P., & Walumbwa, F. O. (2007). Family-friendly programs, organizational commitment, and work withdrawal: the moderating role of transformational leadership. *Personnel Psychology*, *60*(2), 397-427.

Ward, J. and Dolan, C. (1998), "Defining and describing family business ownership configurations", Family Business Review, Vol. XI No. 4, pp. 305-10.

Ward, J. L. (1987). *Keeping the Family Business Healthy: How to Plan for Continuing Growth, Profitability, and Family Leadership*. San Francisco, Jossey-Bass Publishers.

Ward, J. L. (1997). Growing the family business: Special challenges and best practices. *Family business review*, **10** (4), 323-337.

Ward, J. L. (2004). *Perpetuating the family business: 50 lessons learned from long lasting, successful families in business*. Palgrave Macmillan.

Ward, J. L. (2011). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*. Palgrave Macmillan.

Ward, J. L. (ed.) (1988). Establishing and Managing Boards of Directors. *Family Business Review*, **1** (3), entire issue.

Ward, J. L. (ed.). "Establishing and Managing Boards of Directors." Family Business Review, 1988, 1 (3), entire issue.

Ward, J. L., & Aronoff, C. E. (2011). *Family meetings: How to build a stronger family and a stronger business*. Macmillan.

Ward, R. (1991). Economic development and ethnic business. In: Carron, J. and Blackburn, R. (eds). *Paths of Enterprise*, Routledge, London.

Ward, R. and Jenkins, R. (eds.). (1984). *Ethnic communities in business: Strategies for economic survival.* Cambridge University Press.

Watzlavick, P., Beavin Bavelas, J. J., and Jackson, D. D. (1967). *Pragmatics of Human Communication: A Study of Interaction Patterns, Pathologies, and Paradoxes.* New York, Norton..

Wendy C. H. (1989). Methodological Issues and Considerations in Studying Family Businesses. *Family Business Review*, 2 (3), 257-276.

Westhead, P. and Howorth, C. (2006). Ownership and Management Issues Associated With Family Firm Performance and Company Objectives. *Family Business Review*, 19 (4), 301-316.

Westhead, P., & Howorth, C. (2006). Ownership and management issues associated with family firm performance and company objectives. *Family Business Review*, *19*(4), 301-316.

Westhead, P., Howorth, C. A. and Cowling, M. (2002). Ownership and management issues in first and multi-generation family-owned firms. Entrepreneurship and Regional Development, 14(3): 247-269.

Whitener, E. M., Brodt, S. E., Korsgaard, M. A., & Werner, J. M. (1998). Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behaviour. *Academy of Management review*, *23*(3), 513-530.

Willower, D.J. and Uline, C.L. (2001). The alleged demise of science: a critical inquest. *Journal of Educational Administration*, 39 (5), 455-471.

Wilson, N., Wright, M. and Scholes, L. (2013). Family business survival and the role of boards. *Entrepreneurship theory and practice*, 37 (6), 1369-1389.

Wolcott, H. F. (2001). *Writing up qualitative research*. 2nd ed., Thousand Oaks, Sage Publications.

Wong, L. (2011). Corporate governance in small firms: The need for cross-cultural analysis? *International journal of cross cultural management*, 11 (2), 167-183.

Yan, J. and Sorensen, N. (2006). The Effect of Confucian Values on Succession in *Family Business*. Family Business Review, 19 (3), 235-250.

Yin R.K. (2003). Case study research, Design and methods, 3rd ed., *Applied social research methods series,* volume 5, SAGE Publications.

Yin R.K. (2009). Case Study Research Design and Methods, 4th Ed., *Applied social research methods series,* volume 5, SAGE Publications.

Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D. and Jiang, Y. (2008). Corporate Governance in Emerging Economies: A Review of the Principal-

Principal Perspective. Journal of Management Studies, 45: 196-220.

Yu, A., Lumpkin, G.T., Sorenson, R.L., & Brigham, K.H. (2012). The landscape of family business outcomes: A summary and numerical taxonomy of dependent variables. Family Business Review, 25(1), 33–57.

Yukl, G., & Mahsud, R. (2010). Why flexible and adaptive leadership is essential. *Consulting Psychology Journal: Practice and Research*, *62*(2), 81.

Yukl, G.A. (2001). *Leadership in Organisations*. Upper Saddle River, NJ., Prentice-Hall.

Zahra, S. A., & Sharma, P. (2004). Family business research: A strategic reflection. *Family Business Review*, *17*(4), 331-346.

Zahra, S. A., Hayton, J. C. and Salvato, C. (2004). Entrepreneurship in family vs. Non-Family firms: A Resource-Based analysis of the effect of organizational culture. *Entrepreneurship theory and practice*, 28 (4), 363-381.

Zahra, S. A., Hayton, J. C., Neubaum, D. O., Dibrell, C. and Craig, J. (2008). Culture of Family Commitment and Strategic Flexibility: The Moderating Effect of Stewardship, Entrepreneurship Theory and Practice, 32: 1035-1054.

Zahra, S.A, International expansion of U.S. manufacturing family, businesses: the effect of ownership and involvement, Journal of Business Venturing 18 (2003) 495–512.

Zareie, M. (2011). The analysis of effective factors on family business transition to the next generations in Iran: Strategic management perspective. *International proceedings of economics development & research*, 11, 1-7.

Zellweger, T., Sieger, P. and Halter, F. (2011). Should I stay or should I go? career choice intentions of students with family business background. *Journal of business venturing*, 26 (5), 521-536.

Appendix

Appendix (1): Interview Questions

Designed: 30Min Interviewer: Ali Sayyadizadeh
Recording √

Company: Interviewee: Position: Date:

1. Could you please let us know how your business started? Background and Biography?
2. How did your business turn into family business?
3. When and how did family members join the business? Which generation are they in?
4. How did you manage family members' involvement into the business? Are they aware of Family business values?
5. What is your policy or governance structure for family members' involvement and their role in the business?
6. How do their involvements affect the business or family?
7. What are the family members' roles in the family business succession and succession planning?
8. How do Family members act in their Professional capacities or has it not been defined?
9. Have you experienced any conflict or issues in the business between family members? If so, how did you manage that?
10. Has your business experienced any power conflicts between family members?
11. How do you prepare to transit the business to the next generation?
12. How do your cultural ties affect your family members and consequently the business?
13. Could you explain if you have experienced any generational issues in your involvement in the business? If so, what were they? And what was your reaction?
14. How have you managed generational issues in the business?

15. How do you prepare or educate family members to continue the business or for success of the family business in the future?
16. What is your perspective for the future of the Business?
17. Would you like to add anything else (How you could overcome family business issues and survive to the next generation)?

Appendix (2): University Introduction letter for data collection

Sheffield Hallam University | Sheffield Business School

Sheffield
Hallam University
City Campus
Howard Street
Sheffield S1 1WB

T +44 (0)114 225 5555
www.shu.ac.uk/sbs
enquiries@shu.ac.uk

4th July 2013

To whom it may concern,

This is to certify that Mr Ali Sayyadizadeh is a Doctoral Student at Sheffield Business School and is conducting his research on *"Sustainability of family businesses and Multi-generational issues."*

Any help and support you might be able to give him in pursuit of his research would be very much appreciated. Any information provided or data collected through his research will be treated as strictly confidential. Organizations and individuals participating in the research will not be identified in the subsequent findings and the results will not be published without your agreement.

If you require any further information please do not hesitate to contact me.

Thank you for your support.

Yours faithfully,

Dr Murray C. Clark
DBA Director of studies

m.c.clark@shu.ac.uk
+44 (0) 114 225 5241
+44 (0) 7702 503 935