Founder Leadership Succession in Family-Owned SME's: A Case of HC-Co

This thesis has been submitted in accordance with the requirements of the University of Liverpool for the degree of Doctor of Business Administration.

ABSTRACT

RESEARCH QUESTION

The lead researcher, with his wife, owned a UK-based healthcare company, HC-Co, which they were planning to retire from. However, academic research indicated that 72% of UK companies failed to successfully transition to second-generation leadership, and they recognised they had little understanding as to why this was. For both themselves, their staff and clients, it was vital the transition was successful. They therefore needed to close this knowledge gap, which they sought to do by addressing the research question:

What are the drivers of founder-leadership succession within family-owned SME's that may relate to HC-Co.

RESEARCH APPROACH

Building on the findings of a literature review, the lead researcher undertook a Participatory Action Research process with a representative twelve participant-researchers, drawn from the company's employees and professional advisors, to address the research question. Through a number of iterations, they assessed what the drivers of success and failure were generally for family-owned SME's, and specifically in regard to HC-Co. They also considered which succession models or frameworks might be useful in this regard.

FINDINGS

A number of drivers were identified, some of which were relevant to the whole succession process, whilst others were limited to specific phases: i.e. pre-succession, succession, and post-succession. These drivers were compared and contrasted against a leadership-succession framework synthesised from the literature and segmented by resource-based-view type (Barney, 1991). This framework was also used as the basis for assessing how these drivers might apply to HC-Co, and which were found to be moderated by cultural and other company-specific factors.

THEORETICAL AND PRACTICAL IMPLICATIONS

The drivers were useful in identifying those issues that may promote or prevent a founder leadership succession, and which should therefore be planned for, mitigated or monitored. However, cultural and other factors meant that how and to what degree they applied required specific analysis from the perspective of each company considering a leadership transition.

KEY WORDS

Founder leadership succession; Family-owned SME's; Participatory Action Research

DECLARATION

I, Nicholas Bruce, hereby declare that the contents of this thesis are solely my original work. Except for works cited, and for which credit has been duly given or the permission of the author has been granted, this work is entirely my own.

I wish to further declare that no part or the whole of this thesis has been presented to any other university for consideration for an award of a DBA or any similar degree.

I also confirm that:

  i. The thesis, including footnotes, is 52,248 words;

  ii. The list of references is 4,108 words, and;

  iii. The appendices are 5,187 words.

_____

Nicholas Bruce

TABLE OF CONTENTS

TABLE OF FIGURES

1 INTRODUCTION

1.1 LEADERSHIP SUCCESSION AND ITS CONSEQUENCES

Leadership is an intrinsic part of any company and whose primary purpose, according to the Resourced-Based View of management, is to combine an organisation's tangible, intangible and human resources to create and maintain a competitive advantage (Barney, 1991). When an organisation is started, it is the founder who typically takes the principal leadership role (Mathews and Blumentritt, 2015). However, save where an organisation ceases to exist, sooner or later he or she will need to be replaced.

My own company, HC-Co, had already embarked on a partial employee-ownership transition, implicit in which was that there would also be a leadership transition. This was a high-risk time for many companies, but particularly for SME's and family-owned SME's (Lomax et al., 2015), of which HC-Co was one. We therefore knew we were heading into a storm in which 72% of companies foundered, but with no real idea as to how to prepare for or manage the voyage.

> **Note:** HC-Co is a pseudonym for my company, which I used to enable me to write more openly than I would feel able to if the Company was easily identifiable.
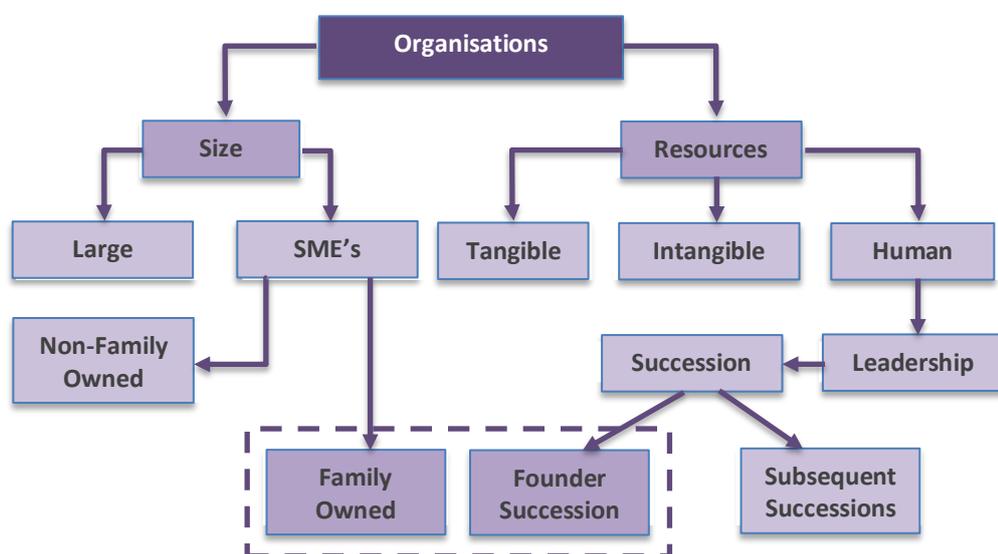
Fig. 1: Focus of Thesis

Adapted from Barney, 1991

We were not alone. According to the Department for Business Energy & Industrial Strategy (2017), of the 5.7 million firms in the UK at the end of 2016, 99.9% were classed as either

small (99.3%) or medium in size (0.6%); collectively known as Small to Medium-Sized Enterprises (SME's). Whilst 76% of these SME's had no employees other than the owner, the remainder accounted for 60% of all UK employment, and were collectively responsible for 51% of UK company turnover (Ibid). SME's therefore made a significant contribution to the UK economy, but their smaller size was a key determinant in leadership succession outcomes. Whereas larger organisations may experience a change in performance following leadership succession, the change was seldom critical. In contrast, only 28% of SME's survived the founder-leadership transition (Lomax et al., 2015), and the odds did not improve with subsequent successions. Only 16% survived a second leadership succession, 6% a third, and just 3% remained after a fourth. The focus of this thesis was therefore to fill my and my colleague's knowledge gap in the hope this would help HC-Co to be one of the 28% that survived the first leadership transition.

From an initial trawl through the literature, there seemed to be a number of reasons why larger companies were far better at managing the succession process. For example, larger companies tended to be run by professional leaders drawn from a wide pool of candidates, whereas family-owned SME's typically came from family members or existing employees (Motwani et al., 2006). Larger organisations also typically had ongoing leadership succession programmes, but for the 72% of family-owned SME's (Lomax et al., 2015) this was seldom the case (Molly et al., 2010). For larger companies, replacing the leader was also a well-practiced and anticipated routine, but only happened every 20 to 25 years on average for family-owned SME's, and with little to no planning (Motwani et al., 2006; Schlepphorst & Moog, 2014). Larger companies also typically employed solely objective criteria to select the next leader, whilst family-owned SME's often had to balance organisational and family objectives (Motwani et al., 2006; Holt & Popp, 2013). However, possibly the largest factor was the influence that company founders had both during their tenure of leadership, and after.

Company Size	SME's	Large Enterprises
Family Ownership	High	Low
Frequency	Low	High
Succession Expertise	Low	High
Succession Complexity	High	Lower
Succession Clarity	Confused/Subjective	Objective
Succession Type	Founder Succession	Follow on Successions

Fig. 2: SME - Large Company Comparison

Adapted from Lomax et al., (2015); Schlepphorst & Moog, (2014), and; Holt & Popp, (2013)

By virtue of the fact they founded their organisation, founders: tended to own most of the equity (Schulze et al., 2003); had a far greater degree of intrinsic knowledge than successor

leaders (Lee et al., 2003); had identities that were far more closely linked to the organisation (Lansberg, 1988); viewed the organisation more subjectively (Sharma and Irving, 2005; Hoang and Gimeno, 2010), and; had influence that often cast a shadow over their successor. Understanding the Drivers of founder-leadership succession was therefore of key importance to any company, but particularly for family-owned SME's, such as my own.

1.2 HC-CO BACKGROUND

I therefore wanted to start by clarifying why avoiding being one of the 72% who fail (Lomax et al., 2015) was important to me, my wife and the other people involved in our Company.

HC-Co was a healthcare company I started in 1986, with my wife joining me as co-owner in the early 1990's. Working with about 100 colleagues, our company cared for approximately 100 elderly clients in both their own homes, and our care homes in the South East of England. Whilst this had been a largely enjoyable and rewarding career, our thoughts progressively turned towards what was next for us personally.

As mentioned above, we answered part of this question in 2014 when we started to move HC-Co towards partial employee ownership. However, whilst this transition appeared to be providing a mutually-beneficial solution to the ownership of HC-Co, if my wife and I were to have the time to enjoy whatever came next, we needed to also make ourselves redundant from our leadership roles, or at least largely so; we enjoyed working with our colleagues and would have been happy to continue doing so in a way that gave us greater freedom.

Whilst our outlook remained positive, the risks of company failure during a founder-leadership succession were not lost on us. If we were to be amongst the 72% of UK family-owned SME's that failed through this process, the impact for my wife and me would have been significant; at best leaving a large hole in our retirement finances, and at worst deferring that retirement for many years. For our employees, the high employment situation in the UK, and particularly in the care sector, meant they should find alternative employment easily, but the loss of community was likely to be traumatic (Gómez-mejía et al., 2007). However, the greatest impact would be for our clients.

For our residential clients, those who lived in our care homes, were those homes to close the forced relocation that would be the inevitable consequence would lead to a significantly increased risk of both poor health and earlier death (Glasby et al., 2019; Jolley et al., 2011). Whilst the impact would likely be less for those clients we cared for in their own homes, as the change would be limited to who cared for them rather than where they lived, their morbidity and mortality risk would likely increase too (Glasby et al., 2019).

It was therefore important we closed our knowledge gap to maximise our chance of being one of the 28% who successfully completed a founder-leadership succession (Lomax et al., 2015), and so I next considered what research aims and objectives would best achieve this.

1.3   RESEARCH AIMS & OBJECTIVES

I started by returning to the Resource-Based View (Barney, 1991) that had helped me to set the context of this thesis. In the same way that my role as HC-Co's founder had been to coordinate the Company's tangible, intangible and human resources to create and maintain a competitive advantage, for the leadership transition to be successful, my successor would have to do the same. Unfortunately, how to transition the leadership from myself, the founder, to my successor was a process we knew little about. The key problem I therefore had to address was filling this knowledge gap. In short, the question I needed to research (the Research Question) was:

> **What were the drivers of founder-leadership succession within family-owned SME's that may relate to HC-Co.**

Note: For the avoidance of ambiguity, the term 'driver' (Driver) was used to denote any factor that had the potential to impact a founder-leadership succession, whether positively to move it forward, or negatively to inhibit its progress.

In order to answer this question and start to fill our knowledge gap, I felt there were a number of objectives I had to keep in mind:

I first needed to understand what leadership meant to those involved in the process; what was the essence of what was being transferred. Certainly the ability to coordinate the Company's resources to create a competitive advantage (Barney, 1991), but what did this mean to the various people who were part of, or who interacted with HC-Co?

Further, I needed to understand how the family-owned SME context was relevant to the founder-leadership succession; my initial literature review, summarised above, had indicated this context was significant.

Taking these first two objectives into account, I also had to identify which Drivers were key to my successor being able to maintain HC-Co's competitive advantage (Barney, 1991). The initial literature review had hinted at some Tangible-Resource Drivers, such as a failure rate of 72% (Lomax et al., 2015), and issues around equity (Schulze et al., 2003) could indicate that there may be some financial Drivers. In regard to potential Intangible-Resource Drivers, process Drivers such as planning had

already been highlighted (Molly et al., 2010), as were systems-type Drivers (Holt & Popp, 2013). Human-Resource Drivers had also been highlighted in my initial review, such as quality of leadership, commitment (Motwani et al., 2006), and objectivity Drivers (Hoang and Gimeno, 2010). A key objective was ensuring we had as complete a list of Drivers as possible.

Finally, I had to understand how these Drivers might impact on HC-Co's own founder-leadership succession as a basis to structure our own transition process.

1.4 THESIS STRUCTURE

Having clarified my Research Question, I started to address it by building on my initial review of relevant academic articles with a more detailed critical literature review . The purposes of this were to set the Research Question within the context of the existing academic knowledge, and to explore what succession models or frameworks might be helpful to help structure my research and analysis into the Research Question.

In the Research Methodology chapter, I next looked at the best approach to understand the issues around the Research Question, including considering what ethical, ontological, epistemological, and methodological factors were relevant.

My next Analysis and Discussion chapter detailed how the Research Question was addressed, and what results were achieved.

Finally, in the Conclusions chapter, I summarised the principal findings, and considered how well I felt the Research Question had been addressed, what gaps remained, and what the implications were for both my professional and organisation's practice.

2 CRITICAL LITERATURE REVIEW

2.1 LITERATURE REVIEW FOCUS

I decided in the introduction, above, that the Research Question I needed to address was 'what [were] the drivers of founder leadership succession within family-owned SME's that may relate to HC-Co'. The key focus of this question was in regard to how it related to HC-Co but, after my initial literature review, I wanted to find out more about what was already known in regard to founder-leadership succession, and whether there were any models or frameworks that might be helpful to my analysis. The focus of this more detailed literature review was therefore:

- To consider appropriate peer-reviewed articles in order to place the Research Question within the context of the existing academic literature, and in particular to identify any drivers (the Drivers) of founder-leadership succession within family-owned SME's, and;

- To consider succession models that may be useful as a framework for investigating the Research Question, and particularly in regard to HC-Co.

I approached these objectives by applying Tranfield et al's (2003) Systematic Literature Review methodology. This suggests a three-stage approach by first planning the review, conducting it, and then writing up the findings.

During the planning stage I reflected further on what the critical literature review needed to achieve. The key purpose was to place the Research Question within the context of the existing academic literature, and consider what other models and frameworks might help with my analysis. However, before approaching this, I felt I needed to understand the Research Question in more detail. As discussed in the research aims and objectives section above, in essence, the Research Question invited me to consider:

- What did leadership mean in regard to founder-leadership succession;

- What was the relevance of the family-owned SME context, and;

- Considering the above, what were the relevant founder-leadership Drivers that may apply to HC-Co?

However, whilst I felt this gave me greater clarity for my literature review, it was still not sufficiently focused. An initial search of the available literature revealed many thousands of possible articles, and I therefore needed to narrow down my search further if my review was to be practical. I therefore considered what filters might help to sort the relevant from the irrelevant and, in this regard:

- I used key words to identify articles that may be appropriate based on the analysis of my Research Question, which I used in combinations to maintain the focus on leadership Drivers within the context of family-owned SME's: e.g. 'leadership succession' or 'founder succession', and; SME's, or family-owned SME's.

- In order to ensure a degree of rigour, I restricted my research to peer-reviewed articles in academic journals recognised by the Chartered Association of Business Schools' Academic Journal Guide 2018, and that were either published within the last ten years, or were cited more than 200* times.

- I also specifically searched for articles written by authors specialising in the field of founder-leadership succession.

- Finally, I drew on additional articles cited in any of the above.

Note: 200 citations was an arbitrary number but, having reviewed a number of potential articles more than ten years old, this seemed a sensible cut-off for identifying articles that could be considered seminal.

2.2 ARTICLES REVIEWED

Using the above search criteria, I first shortlisted articles according to their abstracts, and then applied Tranfield et al's (2003) Systematic Literature Review methodology to those that I believed were likely to provide insights into the Research Question by classifying them by their: title, journal, journal rating (Academic Journal Guide 2018), number of citations (Google Scholar, November 2018), author, year of publication, and focus. This allowed me to get a more rounded sense of what approaches the articles were taking to the subject.

Title		Journal	Rating	Citations
Author	**Year**	**Approach**	**Focus**	**Key Findings**
The succession process from a resource- and knowledge-based view of the family firm – *Family Business Review* - 3 - 942				
Cabrera-Suarez et al.	**2001**	Multiple Issues	Resource-based and Knowledge-Based Theory	Family firms are better at transferring tacit knowledge, and should develop systems to facilitate this, and only diversify into areas they know well.

Fig. 3: Example of Article Classification

I had originally filtered articles according to the quality of the journals in the expectation that this would lead to a higher quality foundation for my review, but what became

apparent was that it risked missing key writers who tended to only appear in more specialist, but lower ranked journals. For example, Handler (1994; 1988), Motwani et al. (2006) and Sharma et al. (2001) were all highly regarded writers in the field, but whose work appeared in middle-ranking journals. I therefore broadened my search to include all articles that appeared in peer-reviewed journals, which produced a total of 110 articles. However, ultimately all those which made it into the principal articles reviewed in detail were published in journals rated in the top three rankings of the Academic Journal Guide 2018 (3, 4 and 4*).

Whilst I did not search specifically via journals, as I wanted to consider all the relevant literature that met my search criteria, some journals were more prevalent than others. For example, of the thirty-eight principal articles reviewed eleven were published in the Family Business Review, and four were published in Entrepreneurship: Theory and Practice. A further nine were clustered in four journals: Journal of Business Venturing; International Small Business Journal; Leadership Quarterly, and; Journal of Family Business Strategy. On reflection, this was not surprising as this tended to reflect the editorial policies of the particular journals. However, there were other articles from more specialist journals, such as the Journal of Business Finance & Accounting, which tended to focus on more nuanced aspects of founder-leadership succession; in this example, the link between successor longevity and firm performance (Hillier and McColgan, 2009).

Whilst thirty-eight was the number of articles that I initially selected, being the total that passed the filtering process set out above, this number expanded when I started to review them. For instance, where Drivers that appeared important were from other articles cited in the principal articles reviewed, such as Lauterbach et al. (1999) and Fox et al. (1996) who were cited in Motwani et al. (2006) in regard to the infrequency of leadership successions in SME's, I therefore reviewed the cited articles too. Similarly, where articles cited information that was dated or from different geographical regions, I included reports that provided more up-to-date and relevant statistical information, such as Lomax et al's (2015) small-busienss survey which discussed survival rates in regard to leadership successions. This had the effect of increasing the total number of papers considered from the principal 38 to 64 in total.

2.3   KEY DEBATES

Before addressing what succession frameworks might be helpful to my research, I wanted to get a sense of the key debates in the literature, of which four stood out.

The first was in regard to succession models or frameworks themselves, which I address in more detail in the next section, but in essence tended to focus on timing and the type of

approach taken. For example, each would identify succession phases and what should be achieved in each, but some started from when the (family) successor first became aware of the company, such as Churchill and Hatten (1987), whereas others started with the development of the successor once he was already an employee, e.g. Nordqvist et al. (2013). Most also presumed the successor would be a member of the founder's family. Many also focused on a gradual transition of power from founder to successor.

Another key debate to run through much of the literature, and touched on above, was the role of family. This was a factor which arguably did not apply to HC-Co as neither my wife nor I had family members involved in the company, nor as potential successors. Its prevalence was also surprising, given that between 39% and 49%, depending on size, of SME's were not family owned (Lomax et al., 2015), with only 25% anticipating an intra-family transfer. Much of the debate focused around the idiosyncratic behaviour of family members, particularly in regard to pursuing their interests, and the key question to me was how analogous this behaviour might be for HC-Co.

I was also concerned by how analogous other founders' behaviour might be to my own. The literature was full of examples of how the founder can get in the way of a successful succession, including: not letting go; falling out with their successor; failing to transfer the appropriate knowledge; becoming a back-seat driver, and; making bad choices in regard to timing. I also recognised that it may be difficult for me to take an impartial view on this matter.

However, the most surprising debate, which was hinted at in my initial literature review, was the sheer complexity of founder-leadership successions. For example, some of the issues raised related to: reciprocity (Blumentritt et al., 2012; Janjuha-Jivraj and Spence, 2009); socio-economic factors (Cannella Jr. and Lubatkin, 1993); communications (Daspit et al., 2016); successor requirements (Schlepphorst and Moog, 2014); family issues (Liu et al., 2015); knowledge transfer (Cabrera-Suarez et al., 2001); planning (Bruce and Picard, 2006); motivation (Gilding et al., 2015), and; finance (Schepker et al., 2017).

To make sense of this, I recognised it would be helpful to have a framework to assess all the different concepts against.

2.4   MODEL ANALYSIS

My next task was therefore to review succession models in the literature to try to distil them into one model that I could use for my subsequent analysis. These typically looked at succession either as a series of phases, issues, or a combination of both. For example, Churchill and Hatten's (1987) model saw succession as happening in three phases being: the pre-succession phase, where the founder creates the company and is then joined by

his or her offspring; the succession phase, where the founder and successor operate in partnership prior to a formal power transfer, and; the post succession phase, where the founder is no longer in the picture. There was a strong presumption througout this and many of the articles that the successor would be a family member.

This was similar to Nordqvist et al. (2013) who cited a four-stage process: start up; running the company; succession process, and; post succession. There was no presumption the successor would be a family member, although they acknowledged this was often the case. However, they went beyond identifying solely phases, and listed a number of potential Drivers to be considered: succession planning during the 'running the company' phase; managing family relations, deciding betweeen internal and external candidates, the successor and founder working together, and governance in the 'succession process' phase, and; on satisfaction and performance in the 'post-succession' phase.

Longenecker & Schoen (1978) took a slightly shorter time frame, starting from when the potential successor joined the firm. Their model also presumed the successor was likely to be a family member, with the pre-succession phase including working in preparatory roles and learning about the business prior to joining formally. After joining, their model moved on to the need for a formal business orientation prior to progressing through organisational functions and management positions, which would lead to taking on senior positions from which the succession process formally starts. They broke this down into early and mature succession phases, identifying different issues likely to affect each. This gradual increase in responsibilities was something that Handler (1990) was also sympathetic to.

Brockhaus (2004) approach was more time-limited, considering succession solely within Churchill & Hatten's succession phase. He suggested a strategic analysis should precede a business analysis as a means to define the type of successor the business required, prior to selecting and developing the succession candidate. Dyck et al. (2002) took a similar view, starting with identifying organisational needs and the best selection process, but then identified timing as a key issue along with post-succession conflict management.

Rothwell's (2011) model also focused on a number of key stages, starting with maintaining management commitment throughout the process. Against this background, he recommended starting by clarifying organisational, people and task needs, and having an effective performance management system to address these. In regard to selecting a successor, he saw assessing the available talent as a precursor to filling any development needs they may have and evaluating progress.

Finally, De Massis et al. (2008) and Le Breton-Miller et al. (2004) also identified a number of Drivers likely to be helpful in addressing the Research Question. They focused on four key issues, but from a narrower context. Theirs included personal goals, family ties,

capabilities and appetite, and financial and legal issues, whilst Motwani et al. (2006) saw the key issues as having a succession plan, naming the successor, and training and mentoring them.

2.4.1.1 Defining an Analysis Model or Framework

Whilst the articles typically spoke of succession models, the fact there were so many indicated that no one model could fit all successions. My focus needed to be on identifying a set of possible stages and Drivers, but which I realised could only be developed into a succession model when assessed against specific founder-leadership successions. For example, the starting point for a family successor joining the firm from school would be different to a non-family successor candidate. At this stage, I also did not know which Drivers might be relevant and how they might apply. I therefore concluded I needed to focus on capturing the possible Drivers and probable stages in a framework (Analysis Framework) as a basis for assessing what specifically was relevant to HC-Co.

With this in mind, I started to consider how the models in the literature could best be combined into a Analysis Framework whose principal purpose was to support the analysis of the Research Question. The issue of timing within the models was often varied and subject to other events; whether the succession process was starting as the founder announces their wish to leave, at an earlier stage when potential successors join, or initiated by some form of crisis. There was a general logic to the order recommended by the models that focused on an assessment and preparatory pre-succession phase, a transference of power during the succession phase, and addressing post-succession Drivers as a final phase. However, whilst the Drivers raised were often common to more than one model, no model encompassed them all. They also tended to take a macro rather than micro perspective. For example, some of the literature talked about identifying organisational needs (Dyck et al., 2002), maintaining commitment (Rothwell, 2011), and filling capability gaps De Massis et al. (2008) without exploring the detail of these.

I started with Churchill and Hatten (1987) three-stages model, as models that started before candidates joined the company, such as Longenecker & Schoen (1978), were not relevant to the Research Question; HC-Co had no leadership candidates who were family members. This was based on pre-succession, succession and post-succession phases. The pre-succession phase (P1) was a preparatory phase up to, but not including the transfer of leadership; the succession phase (P2) included the time from when the founder started to hand over authority to the successor to when that transfer was complete, and; the post-succession phase (P3) started when the successor had full executive responsibility for the firm.

A model which took a different approach was Sund et al's. (2015). This broke down the succession process into four aspects: antecedents, focusing on family culture and preparation; psychological factors, including ensuring stakeholders were aware, and founders and successors were ready and willing; legal and financial issues, addressing compensation and cost matters (and also ownership), and; goals, addressing what success meant, stakeholder satisfaction, avoidance of negligence, financial limitations, and strategic development. However, this model seemed incomplete too. The model inferred that the issues in the antecedent phase were distinct from the other phases but, taking preparatory training as an example, this may or may not be sufficient; it seemed conceivable that a succession may move from the pre-succession phase to the succession phase in anticipation of completing unfinished training, rather than hold up the succession until every item were accomplished. I felt this was true in regard to commitment as a Driver also, where the drawn-out nature of the succession would seem to give rise to plenty of opportunities for various people's commitment to waiver as they sought to clarify their own interests (Lansberg & Astrachan, 1994), or some unexpected outcome happened (Gouldner, 1960). I therefore concluded that the Analysis Framework should include distinct phases of the succession process (first A, second B, and then C etc.), but also recognising that Drivers often permeated more than one phase.

Most models also suggested distinct perspectives, some of which overlapped other models, and some of which were more obviously relevant to the Research Question than others. For example, I was not sure how relevant focusing on the timeframe before a potential successor joined the Company was to HC-Co. Whilst it was obviously a formative period for the candidate, and would be informative as to what capabilities gaps they arrived at the Company with, it did not seem relevant in the sense the authors concerned gave to it; i.e. a pre-work induction phase to their family's company. In the case of HC-Co, none of the stakeholders would have had any meaningful knowledge of, or interactions with the Company prior to formally becoming involved with it, however, phases that covered from when potential candidates joined HC-Co seemed more obviously relevant to me.

Many of the models also seemed too limited in their scope. For instance, they rightly focused on key players, such as the founder, successor and family members, but often with the presumption that other stakeholders would be happy to go along with whatever they decided. However, Hollander's (1992) concept of followership, whereby leaders could only lead where others were prepared to follow, was a concept that was both largely accepted in leaderhship thinking, but overlooked within the succession literature. The staff group therefore seemed to be a taken-for-granted, but necessary stakeholder whose commitment was likely to be important as a Driver. Given that approximately 72% of

companies going through a founder-leadership succession failed to perform to the extent that they went out of business (Lomax et al., 2015), monitoring performance during the succession process also seemed to me to be an overlooked criteria, other than by Rothwell (2011).

The conclusion I reached was that succession was a process, and my Analysis Framework should therefore identify both the Drivers that needed to be addressed, and the order they needed to be addressed in. Whilst some models included an early stage before when the family-successor joined the firm, this was clearly not relevant to HC-Co's founder-leadership succession, however, I felt the subsequent stages were. Whilst the models sliced these stages up differently, the ones that seemed to give the greatest clarity were Churchill and Hatten's (1987) three-stage model, which coincided with the final three stages of Nordqvist et al's (2013) four stage model: pre-succession; succession, and; post-succession. Similarly, none of the models included all the potential Drivers that might need to be addressed, but nor did I consider that any Drivers could be ruled out at this stage. Whilst relevance of some was not yet clear, it seemed to me that all deserved consideration during the research phases.

I also recognised that a key objective was identifying the Drivers that would allow my successor to maintain HC-Co's competitive advantage. Apart from highlighting which succession phase each Driver was likely to impact, I therefore also categorised them by the type of resource they were (Barney, 1991); tangible, intangible, or human. However, this in itself was ambiguous as some could be classified as either an Intangible Driver, such as successor development being a process, or as a human-resource type Driver, due to the impact it had on the capabilities of the successor. In deciding how to categorise each, I followed Barney's (1991) view that human resources included, "the training, experience, judgement, intelligence, relationships, and insights of individual managers and workers in a firm". So whilst Drivers such as successor development, communications, and managing commitment could be viewed from an intangible process perspective, I classified them as Human-Resource Drivers, which led to the Preliminary Analysis Framework, below. Whilst stakeholders could include people who were not 'managers' or 'workers', such as external stakeholders, I categorised this as a Human-Resource Driver also.

Tangible-Resource Drivers	Pre-Succession (P1)	Succession (P2)	Post-Succession (P3)
Capital			
Intangible-Resource Drivers			
Succession Planning			
Successor Selection			
Performance Management			
Governance			
Strategy			
Human-Resource Drivers			
Stakeholder Salience			
Founder-Successor Issues			
Successor Development			
Managing Commitment			

Fig. 4: Preliminary Analysis Framework

2.5 DRIVER ANALYSIS

Having defined my Preliminary Analysis Framework and three different classes of Drivers, I then undertook an analysis of how relevant these were to the Research Question, and in particular regard to HC-Co.

2.5.1 Tangible-Resource Drivers

2.5.1.1 Capital

There were a number of Drivers that may impact a firm's access to capital during a founder-leadership succession.

2.5.1.1.1 DIVIDEND POLICY

For example, post-succession firms were more likely to have both active and passive shareholders when there was an accompanying ownership transition, which may lead to conflict as well as a dividend policy that may result in less capital remaining in the company (Davis and Harveston, 1999). Non-active shareholders may also use debt as a means of control by limiting the options available to the active shareholders (Blanco-Mazagatos et al., 2007). Whilst the latter had not been considered by my wife and me, the accompanying employee-ownership transition meant there would be both active and passive shareholders, which was therefore a Driver that needed considering as part of the Research Question.

2.5.1.1.2 OWNERSHIP-TRANSITION DRIVERS

Further potential consequences of an accompanying ownership transition were noted by Brockhaus (2004) and Sund et al. (2015), who observed this can bring additional financial and legal consequences, including an increased tax burden (De Massis et al., 2008). If the

change in ownership needed to be funded, this added cash-flow burden was likely to impact profitability (Cucculelli and Micucci, 2008). A higher personal debt could also be a factor where the new owners had to finance the purchase, leading to demands for higher salaries (Bjuggren and Sund, 2014). Whilst we were going through our own partial ownership transition at the same time as we were preparing for a leadership transition, the nature of this transition meant there would be no additional debt as a result, thereby avoiding the Drivers identified above. There would be legal costs, but these were predictable and not significant when compared to HC-Co's profits. I therefore took the view that a detailed examination of ownership transition Drivers were beyond the scope of this thesis.

2.5.1.1.3 RISK APPETITE

However, there were other factors that might impact the availability of capital. For example, the appetite for further finance may be less due to an increase in risk aversion post-succession (Ward, 2011). Dunn et al. (1999) believed this may be because post-succession firms became more family oriented and did not want to use any source of finance that may reduce family control, such as issuing new equity. This unwillingness to use debt financing in the same way after succession may also be because the offspring tended to be more risk averse than their parents (Kaye and Hamilton, 2004). Having inherited wealth themselves, they felt an obligation to pass something on to the next generation (Ward, 2011). This risk aversion was also a factor in family-owned firms being more reluctant to innovate although, counterintuitively, they were more successful at it when they did (Matzler et al., 2015). Whilst many of these factors were not an obvious fit for HC-Co, others were. I felt this Driver should therefore be considered further in the research phases.

2.5.1.1.4 ACCESS TO DEBT

Another issue was whether successors would enjoy the same access to debt as the founder. Smith & Amoako-Adu (1999) noted that stock prices tended to fall when a family successor was apointed, typically because they were younger and unknown, which could effect a company's access to debt. Whilst this was not directly relevant to the Research Question, as HC-Co was not a public company, it may be indicative of confidence generally. For example, where there was a perception that the successor was less competent than the founder, banks and suppliers were found to be more risk averse (Anderson et al., 2003), although the opposite was also true.

2.5.2 Intangible-Resource Drivers

Whilst the key debate regarding Tangible-Resource Drivers was in regard to access to capital, there were a number of themes that emerged in regard to Intangible-Resource Drivers. These related to processes, such as succession planning and successor selection, and systems regarding performance management and governance.

2.5.2.1 Succession Planning

Although a section on planning might be expected to detail how to plan for a succession, there was little support for this in the literature.

2.5.2.1.1 PLANNING FAILURES

Instead, it focused on an almost universal failure by SME's to plan (Bruce & Picard, 2006). This was found to be the case by Nordqvist et al. (2013) and Rothwell (2011) too, who recognised the importance of succession planning, whilst Motwani et al. (2006) observed that the degree of planning was often correlated to a firm's size. However, whilst failing to plan seemed to be a clear Driver for many founder-leadership successions, given the focus of this thesis, my conclusion was that this was less of a Driver in regard to the Research Question. However, the literature also made clear there were plenty of opportunities to do it wrong.

In some ways, the succession process is very simple whereby an incumbent hands over leadership to a successor in accordance with a transition process (Barry, 1975). In practice, successions were seldom simple and had to address a number of complicating factors. For example, founder-leadership succession typically happened every 20 to 25 years (Schlepphorst and Moog, 2014; Fox et al., 1996), and leadership succession was therefore both unfamiliar as well as being one of the most complex tasks SME's had to face (Miller et al., 2003). SME's also had fewer resources than larger companies, including a smaller pool of potential successors to draw from (Mussolino and Calabrò, 2014; Giarmarco, 2012). They also had to navigate around family dynamics, which typically complicated planning, founder-successor issues, external issues, defining selection and succession processes, and post-succession consequences. They may also have underestimated what a founder-leadership succession involved, with Lomax et al. (2015) finding that leadership succession was more typically seen as a 'coronation' than an objective process. Nordqvist et al. (2013) also observed that factors such as governance, demographics, and culture were often overlooked.

A number of these Drivers seemed clearly relevant to the Research Question. Whilst it was not a 'coronation' in the case of HC-Co, it was the first to happen in the Company's thirty plus year history, and we did only have a small pool of internal candidates to choose from. Whilst family dynamics may or may not be relevant, all the remaining Drivers did seem

potentially relevant, and I therefore concluded they should be considered in the analysis phases of this research.

2.5.2.1.2 FIRM VS FAMILY OBJECTIVES

The family theme continued in the literature, where founders were cited as also more likely to prioritise family objectives over business objectives (Motwani et al., 2006; Holt & Popp, 2013). Whilst I believed that neither my wife nor I were driven by the need to leave a 'legacy', we were motivated to do the right thing by our colleagues and clients; perhaps they were our pseudo family. We were also keen to leave on a basis that afforded us a comfortable lifestyle. To my mind, conflicting personal and business objectives could therefore be a Driver in relation to HC-Co's Research Question.

2.5.2.1.3 GENERAL RISKS

Whether we planned or not, there were also inherent risks in the process that needed to be addressed. For example, Rothwell (2011a) highlighted the risk of losing key personnel, and therefore recommended carrying out a people-needs analysis so that any vacancies could quickly be addressed. Whereas De Massis et al. (2008) took a more detailed approach, considering risks which they grouped as either individual, relational, financial, context, or process factors. Another complicating factor was that, as opposed to larger firms where the board would typically make succession decisions, it was often the incumbent who took the lead (Motwani et al., 2006; Pitcher et al., 2000). Apart from the risk of a general lack of objectivity and expertise, this also raised the possibility of self-selection bias (James, 2006) whereby incumbents may subconsciously make decisions that favoured themselves. All seemed to be potential Drivers in the context of the Research Question.

2.5.2.2 Successor Selection

Succession planning therefore offered plenty of Drivers that could influence the outcome of the founder-leadership succession, but obviously a key area was ensuring the right successor was chosen. Brockhaus (2004) and Dyck et al. (2002) recommended starting with a needs assessment, which Rothwell (2011b) observed was not an easy task when undertaken by the founder. In fact, a failure to set rational and objective selection criteria was found to result in the process being seen as unfair and leading to conflicts (Levinson, 1971). Further, this sense of unfairness may be exacerbated when the people judging the succession process were not clearly defined (Ward, 2011).

In regard to which selection criteria were most appropriate, a number of different approaches were taken in the literature. Brockhaus (2004) suggested three areas to consider: education; technological, management and financial skills; and with a lesser focus

on sex, age and birth order. Daspit et al's (2016) focus was on softer skills such as integrity and commitment to the business.

Taking a more specific approach, Greiner (1998) found that incumbents typically had strong entrepreneurial skills, but that internal organisational and administrative skills were more important to the successor. However, Nordqvist et al. (2013) saw the exit of the founder as part of the entrepreneurial process, and that family-firm succession would be more effective by seeing this as a core foundation of the ongoing business. This resonated with me as, during the Company's thirty-plus-year history, there had been three significant changes of direction: branching into domiciliary care; focusing solely on private clients, and; the transition to employee ownership. It seemed reasonable to presume that there would be further changes required in the future, and therefore the entrepreneurial ability of the successor struck me as an important Driver too.

All of the above approaches seemed to have merit, but in one area we had already set a direction without fully considering the Drivers; the decision to favour insider candidates. We had started down the route of developing the Company's three most senior managers to take over the leadership (the Leadership Candidates), taking the view that this is what was best for HC-Co even if they ultimately did not complete the process. Whilst I believed they were up to the challenge, it also reinforced the Company's policy of always promoting internally which was good for both the sense of team and potentially created other promotion opportunities for their colleagues.

The literature suggested this was not unusual. Even where it was recognised that professional management was required, (Kirby and Lee, 1996) found an insider, normally a family member, would be appointed regardless. In part this may be because outsiders typically came with an appropriation risk, whereby they demand higher rewards based on their acquired idiosyncratic knowledge. However, I recognised that that this may be an issue we needed to consider further.

2.5.2.3 Performance Management

The various factors identified above also had the potential to impact the performance of the firm. Founder-leadership succession implicitly meant change within the organisation, such as additional responsibilities that came with the process and which may divert key employees' attention from their ongoing responsibilities. Conversely, an underperforming founder may be replaced by a more competent successor leading to an improvement in performance (Rothwell, 2011). To me, monitoring performance, and taking swift corrective action, seemed an obvious and important Driver, but one that had escaped the attention of most of the article writers.

2.5.2.4 Governance

An important issue that could also impact performance for any firm was how it was governed, which Casillas et al. (2010) observed typically changed on founder-leadership succession. This not only went hand-in-hand with issues of ownership, but performance too. For example, prior to a founder-leadership succession occurring, Hillier & McColgan (2009) noted that founders typically structured their organisations in a way that concentrated power in them. However, whilst they enjoyed unfettered freedom to grow their company when they ran it, it was typically not a level of control they wanted to pass to their successor. This often meant a change of governance structure at the time of succession, which further complicated the founder-leadership succession (Hillier & McColgan, 2009). Whilst this could be seen as an additional burden on the successor, Nordqvist et al. (2013) saw a more formal governance structure as being helpful in managing family relationships in the absence of the founder acting as referee. Another shareholder issue was where equity ownership became more diluted with succession, leading to a divergence of interests which may also lead to stagnation if decision-making became more difficult (Schulze et al., 2003).

I recognised the governance issue as one that was important to me to protect my wife and my future interest in the Company, but also to ensure the new employee-owners were treated fairly too. However, I also recognised that this could be problematic to the successor if they needed to be fleet-of-foot to respond to changing circumstances, but new governance structures got in the way. I further recognised that, whilst relations between the Leadership Candidates and other managers was good, I could not be sure this would continue once either my or my wife's influence was less obvious. These therefore seemed relevant Drivers to pursue.

2.5.2.5 Strategy

Prior to a founder-leadership succession, strategy would typically be decided upon by the founder, but the question of strategy becomes particularly important at a time of change when the founder may be harder to access, or no longer sufficiently in touch. Miller et al's (2003) considered the potential consequence of different approaches, however, whilst they considered the risks of various successor leadership approaches, there was little discussion by anyone as to what further strategic risks or opportunities accompanied a founder-leadership succession. Further, whilst Dalpiaz et al. (2014) and Johnson (2000) both considered strategy from a narrative perspective, neither related this specifically to the leadership succession process. This seemed an omission to me as founder-leadership succession is in itself a strategic event, and its strategic implications should therefore be considered as a Driver.

2.5.3 Human-Resource Drivers

Whilst both Tangible and Intangible-Resources Drivers were important to the success of a founder-leadership succession, the greatest focus was placed on Human-Resource Drivers. The principal ones being who had salience in regard to the leadership successor process, founder-successor relationships, successor development, and managing commitment.

2.5.3.1 Stakeholder Salience

Whilst the founder and successor were clearly stakeholders in the process, they were not the only one.

2.5.3.1.1 FAMILY

For example, one important group identified in a number of articles was the family, but I was not sure of the relevance of this research to the Research Question. In an organisation where there were no family contending to be the successor, what was the relevance of Drivers like sibling rivalry (Kets de Vries, 1993), or the pressure to appoint the eldest son (Calabrò et al., 2018) to HC-Co where there were no family Leadership Candidates? Whilst it was tempting to decide they were not relevant, I also recognised that the term 'family' could be looked at literally or figuratively. If stakeholders saw themselves as part of the 'HC-Co family', or my wife and I saw them in a family sense, perhaps we would behave in ways that were analogous to the actions of family members cited in the articles. As my wife observed, whilst HC-Co is not a typical family firm, we often refer to it as a family, there are many family relationships within the Company (at any one time, between twenty-five and thirty percent of employees were related to at least one other employee - by blood or marriage), and a number of employees had worked with my wife and I for up to three decades. Whilst this was not relevant in the sense of family ownership, at least until the employee-ownership transition completed, perhaps these employee-family ties were working in the sense of a complex adaptive systems (Holland, 2012). Complex Adaptive Systems theory (CAS) argues that people with a common interest interact with people they see as outside their group by applying rules to decide what meaning they give to external messages, and how they collectively respond to them in a way that promotes their group's interests.
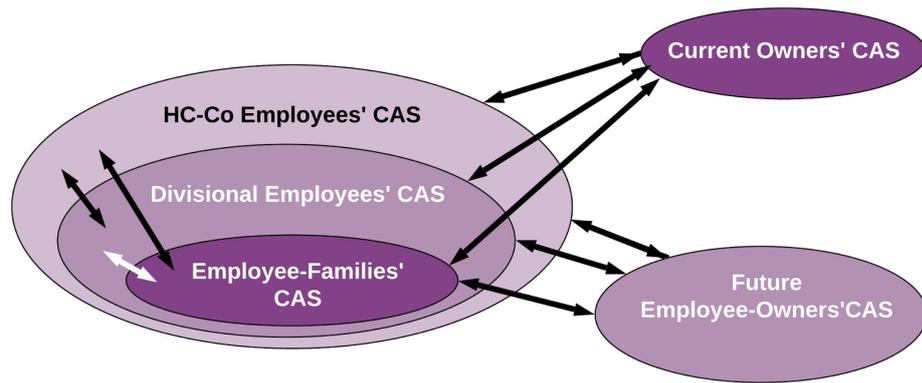
Fig. 5: Competing Complex Adaptive Systems

Adapted from (Holland, 2012)

2.5.3.1.2 EMPLOYEES

I had earlier discussed whether the employees were a key stakeholder in the founder-leadership succession, and I wondered whether these smaller employee-family CAS might be creating an additional layer of complexity in regard to how the larger employee CAS made their decisions about how to react to the founder-leadership succession. Again, I did not know whether the family ties explored within the articles would be analogous to the employee-family ties, or indeed any ties that may have existed between the different services or classes of ownership within the Company, but I felt it could not be ruled out as a Driver at this stage.

Whether we and the Leadership Candidates interacted as family or colleagues, Sharma et al. (2003), Dunn et al. (1999), and Cromie et al. (1995) identified the misalignment of personal goals as a potential Driver also. This was an issue raised earlier (Sund et al., 2015; De Massis et al., 2008; Motwani et al., 2006), as well as in regard to conflicting family and company objectives (De Tienne and Chirico, 2013). I had already identified potential conflicts between my wife and my objectives as the retiring founders vs the interests of the Company, but conflicting goals between any of the stakeholders were also clearly a potential Driver in regard to the founder-leadership succession.

2.5.3.2 Founder-Successor Issues

Whilst the founder and successor were stakeholders in their own right, there were a number of other founder-successor Drivers that could be problematic to a founder-leadership succession.

2.5.3.2.1 RELATIONSHIP

For example, a Driver that could easily undermine the process was the relationship the successor had with the founder, and which Mussolino & Calabrò (2014) observed was typically influenced by the founder's leadership style. Where they blocked the successor

from joining in key decisions, the relationship tended to be negatively impacted, whereas the opposite was true when their style was more benevolent and inclusive.

2.5.3.2.2 TRANSFER OF POWER

The quality of the transfer from founder to successor was also correlated to the quality of communication and trust between the parties (Cadieux, 2007). In fact, they found the degree of game playing and bargaining was largely influenced by how well the founder and successor got on, how adaptable they were, and how committed to the firm they felt (Lansberg & Astrachan, 1994). Where this was not the case, both pre and post-succession conflict was not uncommon (Davis & Harveston, 1999). The degree of preparation and training were also indicators of a successful relationship (Lansberg & Astrachan, 1994). Establishing and maintaining good relationships was therefore important, with Dyck et al. (2002) and Davis & Harveston (1999) identifying that founders and successors typically developed positive and open communications when neither party felt they had to hold back. Whilst I believed my wife and I had good relationships with each of the Leadership Candidates, I was also aware there were times their viewpoints had to be drawn out of them. This therefore seemed to be a Driver that needed to be worked on.

2.5.3.2.3 SUCCESSOR STRATEGIES

Related to the above were the strategies that successors adopted when taking over the lead, which were often influenced by the founder-successor relationship (Cucculelli & Micucci, 2008; Bennedsen et al., 2007). Depending on their confidence and competence, successors were found to fall into four different management strategies: Institutionalisation, Implosion, Imposition, and Individualisation (Gilding et al., 2015). Where harmony between the founder and successor existed, and a shared wish for continuity of the company were strong, a succession plan was likely to be effectively Institutionalised, e.g. successful, but where both were weak it was likely to Implode. Where there was strong drive for continuity, but weak harmony, a succession plan was likely to be Imposed, and therefore result in a lack commitment from the successor. If harmony was strong but continuity was weak, the firm was likely to be Individualised, e.g. sold. Given that HC-Co was already going down the path of employee ownership, the wish for continuity appeared to be strong, and therefore the key Driver would be in relationship to harmony between the various stakeholders as to the best way forward.

Other solely negative strategies were identified by Miller et al's (2003), who looked at failed successions, but from the perspective of the relationship between the firm's past and future. They identified three succession patterns, being Conservative, Wavering or Rebellious, and which occurred with sufficient frequency to be a threat to the significant majority of successions. The Conservative stereotype was typically risk averse and

bureaucratic, with an overdependence on the past, often leading to a loss of market share. Wavering successors tended to be indecisive and inconsistent, creating a confused culture, and which resulted in an incongruent blend of the past and future which led to eroding margins. Rebellious successions were less common as personality types that were likely to behave in this way typically preferred not to go into a family business or were not selected by the founder. However, when they were, they were prone to make change for change's sake, creating a chaotic culture leading to cost overruns. On reflection, I considered it was too early to see if any of Miller et al's traits were evident, but avoiding any negative successor strategies, and assisting the successor to develop positive ones was clearly an important Driver for any founder-leadership succession.

Whatever strategy they adopted, at some stage power needed to be transferred, which also had its own challenges. For example, where the succession process was left to the incumbent, and he or she was typical and failed to plan for their succession, the competence and availability of a successor was found to be a key determinant of timing (Motwani et al., 2006). The new leader also needed to be ready. Where the founder prioritised leaving at a high point this may not be the case, and also meant an unprepared successor may have to manage a falling tide as well (Cucculelli & Micucci, 2008). A counter point to this is where the founder left the company at a high point because they wanted their successor to have the resources to make a go of it. Such timing may therefore also be altruistic.

2.5.3.2.4   TIMING

However, waiting until the successor is ready may have other consequences too. Where this meant the transfer of power was delayed beyond when the founder would wish to leave, the firm may end up with a CEO whose heart was no longer in the game (Cucculelli & Micucci, 2008). Whilst this was not an obvious Driver, given the subject of this thesis, on further reflection I recognised that, without knowing whether the preparation of our successors was successful or if they would remain committed to the process, it was impossible to rule out a delayed succession or my wife's and my commitment not remaining high. I therefore concluded this was a potential Driver.

Another Driver I considered was in regard to how power should be transferred, with both Churchill & Hatten (1987) and Handler (1990) recommending this should be done gradually, whereby the successor's role increases as the incumbent's decreases. This was consistent with Steier (2001) who saw the succession process as a series of distinct phases best undertaken in co-habitation between the incumbent and successor, which allowed tacit knowledge to be transferred over a period of time.

2.5.3.3 Successor Development

Whilst having to navigate all the above issues, the successor also had to be prepared for their new role, with the process typically being similar to corporate executive succession (Brockhaus, 2004).

2.5.3.3.1 CAPABILITIES DEVELOPMENT

Understanding what the founder did was therefore clearly an important part of the successor development process, with any omissions in this regard potentially leading to a failure to train them adequately (Morris et al., 1997), making it harder for the successor to perform (Fleming, 2000). Unfortunately, whilst founders understood their roles implicitly, they were typically unable to explain them explicitly. This may have been because much of the knowledge that founders had was tacit (Nonaka and Lewin, 1994), and was therefore difficult to transfer. The successor's ability to acquire their predecessor's key knowledge and skills was therefore an important part of the preparation process (Cabrera-Suarez et al., 2001). Effectively transferring knowledge therefore appeared to be an important Driver to consider.

Brockhaus (2004) and Dyck et al. (2002) saw the starting point as an assessment to identify which of the founder's skills and knowledge were important to the business. However, it was not lost on me that, as the Lead Researcher and the insider whose skills and capabilities had to be investigated, this presented a Catch-22. If founders generally found it hard to be explicit about what they did, why would I be any different. This therefore also seemed an important but difficult Driver to address.

2.5.3.3.2 EXPERIENCE

Another possible solution was to ensure successors had a wide range of responsibilities and contact with key stakeholders to develop their relationships, and to better understand the firm's culture and intricacies (Lansberg & Astrachan, 1994). Spending a period outside of the business was also found to help develop the successor's identity, and give them a broader range of problem solving skills (Nelton, 1986). Brockhaus (2004) and Longenecker & Schoen (1978) talked about how various stages of preparation could be used to build this experience, progressing from induction through organisational functions, and onto managerial and then senior managerial roles. This was a route we were already undertaking with the three Leadership Candidates to test their abilities to take over the leadership of the Company, and was therefore already identified as a relevant Driver.

2.5.3.3.3 TRANSFERRING KNOWLEDGE

Transferring knowledge was also identified as an important Driver for developing successors, with Motwani et al. (2006) suggesting mentoring as an effective tool; again,

something we were already doing. Steffens et al. (2018) added that giving the successor positive feedback about their abilities led to increased ambitions, commitment and performance, but the opposite was true also.

2.5.3.4 Managing Commitment

Identifying who the stakeholders were and some of their specific issues in regard to the succession process was important, but it was also essential to maintain their commitment if the succession process was to be effective. In this regard, there were a number of general issues raised, as well as some specific points by stakeholder type.

2.5.3.4.1 PROCESS COMMUNICATIONS

A key influence on how stakeholders behaved was the effectiveness of communications about the founder-leadership succession. At some stage, the fact there was to be a leadership succession and who that new leader would be must become public knowledge in order for the successor to be able to lead. Based on a survey of 368 US family-owned SME's, Motwani et al's (2006) found that just over half (55.5%) were in favour of announcing the successor more than a year in advance, although they did not address how this news should be communicated. Dalpiaz et al. (2014) found that this was typically done through the use of narratives that focused on succession strategy and the successor's identity, whilst reinforcing family identity. In this regard, Daspit et al. (2016) observed that generalised communications were more effective than selective ones for maintaining good relations, whilst Michael-Tsabari & Weiss (2015) focused more on what might cause poor communications, which they found ambivalence and conflict aversion made worse.

2.5.3.4.2 PERCEIVED FAIRNESS

Another factor that affected whether individuals were satisfied with the various outcomes of the founder-leadership succession was whether they perceived the process to be fair (Restubog et al., 2010), and which impacted how they responded to a founder-leadership succession. In particular, individuals wanted clarity as to what their own territory would be after the succession; if they were not to be given the top prize of leading the organisation, was there appropriate compensation? Where this was not the case their reciprocal response to this perceived unfairness was likely to be unhelpful to the founder-leadership succession, such as playing games. A related point was made by Nordqvist et al's (2013), who saw the key to successful successions was managing the emotions of all those affected by it, and not just those of the founder and successor. Whatever the reason for each stakeholders' perception as to the fairness of the founder-leadership succession, it did seem to be a potential Driver for HC-Co's founder-leadership succession.

2.5.3.4.3 SATISFACTION

Whatever other factors led to a successful founder-leadership succession, to be perceived as successful the key stakeholders in the process had to be satisfied. Two important elements in this regard included process satisfaction, and post-succession performance (Morris et al., 1997; Handler and Kram, 1988). Satisfaction with the succession process might include not only financial performance, but maintaining relationships also (Tagiuri and Davis, 1992), in part by following a process that was seen to be fair (previously discussed in section **Error! Reference source not found.**). In regard to satisfaction with post-succession performance, five factors were found to be important: the willingness of the incumbent to leave; the willingness of the successor to take over; succession planning; agreement to continue, and; acceptance of changed roles (Sharma et al., 2001). However, if any party was unhappy with the succession process, problems could occur. Sharma et al. (2001) noted that initial satisfaction was typically driven by the founder's willingness to let go and the quality of the succession process used, whereas retrospective satisfaction was more driven by how effective the successsion was in terms of maintained profitability. The satisfaction of all key stakeholders was therefore clearly a Driver.

2.5.3.4.4 FOUNDER COMMITMENT

However, there were also some key Drivers relating to the founder. They were perhaps the most obvious stakeholder who needed to back the founder-leadership succession, save where they die or become incapacitated in office, and they were also the most complex. For instance, giving up their role implicitly requires them to be willing to 'let go' which, for either emotional or financial reasons, they often found hard to do (Hoang and Gimeno, 2010; Cadieux, 2007). There were a number of issues that got in the way of this, including (Handler & Kram, 1988) the psychological resistance of the founder to let go, a fear of change, cultural resistance, and concern in regard to the successor's abilities. However, a number of factors also mitigated for letting go (Handler & Kram, 1988), such as if the founder's health was problematic, whether they had other interests to move to, if they saw themselves as separate to the firm, if they were good at delegating, or had new opportunities.

2.5.3.4.5 SUCCESSOR COMMITMENT

The successor was another key stakeholder whose commitment was essential, with respondents to Motwani et al's (2006) survey placing it as one of the three most important Drivers, along with business and interpersonal skills. As with other stakeholders, successors had their own needs and goals which had to be considered, and which may or may not coincide with the needs of the company (Stavrou, 1990; Brockhaus, 2004). In fact their willingness to take on the role was not simply limited to objective factors, but the quality

of the succession experience also (Handler, 1994). Some of the issues that influenced their decision included how personally fulfilling they found the prospect, the degree to which their personal influence counted, relational factors such as the degree of mutual respect, how accepting other members of the family were, and how committed they felt to the firm. Shepherd & Zacharakis (2000) noted that successors were more committed when they had sunk financial and behavioural costs, although the former could make them more risk adverse.

2.5.3.4.6 EMPLOYEE COMMITMENT

Whilst a number of articles focused on the importance of the founder, successor and other key stakeholders (such as the family), little attention was paid to the employees. Were they key stakeholders also when it comes to founder-leadership succession, with the ability to disrupt any succession, or was their influence limited, as the lack of discussion in the literature would suggest? I had already raised this issue, arguing that the willingness of others to follow was seen as an indispensable part of an individual's ability to lead (Hollander, 1992). CAS theory supported this. For example, a CAS such as the staff group of a company who make up the 'followers' will collectively decide what any new messages mean, such as a change of leader, and decide whether to accept or reject it (Holland, 2012). A lack of any meaningful discussion on staff commitment to any leadership transition therefore seemed to me to be a significant omission.

2.6 WORKING ANALYSIS FRAMEWORK

The purpose of the Analysis Framework was as a means to identify and assess process order and Drivers that may be relevant to founder-leadership successions generally, and HC-Co's specifically. The framework below therefore built on the Preliminary Analysis Framework by including the Drivers that were identified during the literature review, with infill colour showing the phases to which they primarily relate, although I anticipated that this was likely to change during the research phases as the Participants' contributions were added.

Tangible-Resource Drivers	Pre-Succession (P1)	Succession (P2)	Post-Succession (P3)
CAPITAL			
Dividend Policy			▓
Ownership-Transition Drivers	▓		
Risk Appetite	▓		
Access to Debt	▓		
Intangible-Resource Drivers			
SUCCESSION PLANNING			
Planning Failures	▓		
Firm vs Family Objectives	▓		
General Risks	▓		
SUCCESSOR SELECTION	▓		
PERFORMANCE MANAGEMENT	▓	▓	▓
GOVERNANCE	▓	▓	▓
STRATEGY	▓	▓	▓
Human-Resource Drivers			
STAKEHOLDER SALIENCE			
Founder	▓	▓	▓
Successor	▓	▓	▓
Family	▓	▓	▓
Employee	▓	▓	▓
FOUNDER-SUCCESSOR ISSUES			
Relationship	▓	▓	▓
Transfer of Power	▓	▓	▓
Successor Strategies	▓	▓	▓
Timing	▓	▓	▓
SUCCESSOR DEVELOPMENT			
Job Specification	▓		
Capabilities Development	▓	▓	
Experience	▓	▓	
Transferring Knowledge	▓	▓	▓
MANAGING COMMITMENT			
Process Communications	▓	▓	▓
Perceived Fairness	▓	▓	▓
Satisfaction	▓	▓	▓
Founder Commitment	▓	▓	▓
Successor Commitment	▓	▓	▓
Employee Commitment	▓	▓	▓

Fig. 6: Working Analysis Framework (WAF)

2.7 CRITICAL LITERATURE REVIEW CONCLUSIONS

One of the key findings from the literature review was not only how complex founder-leadership succession could be, but that family-owned SME's typically did not have the resources to deal with them. With leadership successions only taking place every 20-25 years, family-owned SME's seldom have the experience to support the process. It was also less-objectively approached if it were a founder-leadership succession. Further, the small size of family-owned SME's typically meant there were few candidates to choose from. Family issues, which often took priority over company issues, also meant succession planning was either pushed back or insufficiently addressed for fear of upsetting family members, leading to succession timing often being sub-optimal. I therefore did not find it surprising that many founders simply didn't know where to start. Against this backdrop, a failure rate of 72% seemed understandable.

3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The literature review identified a number of Drivers that had impacted other companies' founder-leadership successions, save understanding the same in regard to my own Company was the focus of the Research Question, 'what [were] the drivers of founder-leadership succession within family-owned SME's that may relate to HC-Co'. In the Analysis and Discussion section, which follows, I ran through the research I undertook with the Participants to understand these Drivers, however, I first had to decide what the best methodological approach to take was.

I started by first considering appropriate research paradigms, before moving on to looking at ethical issues, then ontological meanings, epistemological implications, and considering theoretical perspectives, which all led me to what I felt was the most appropriate research methodology. However, before approaching starting this process, I felt it was important to remind myself the context I set out in the introduction, within which the research would take place.

3.2 CONTEXT

In summary, my wife and I were anticipating a founder-leadership succession in preparation for our retirement, which was to run alongside the ongoing partial employee-ownership transition. HC-Co was a family-owned SME which put it in a high risk group, whereby 72% of UK based companies were expected to fail during the change from first to second-generation leadership (Lomax et al., 2015). The literature review indicated that this failure rate was connected to the complexity and rarity of such events in SME's. I recognised that the choice of research approach therefore needed to accommodate this complexity in a way that adequately addressed the Research Question. I therefore started by considering research paradigms.

3.3 RESEARCH PARADIGMS

Research paradigms reflect different worldviews with Positivist and its variants on one side, and Interpretivist and its variants on the other (Teddie & Tashakkori, 2009). In the middle sits Pragmatism. Positivism holds that only that which can be scientifically measured is valid, whereas Interpretivism argues that it is beliefs, concepts and language that are more relevant. Pragmatism, as its names suggests, is more driven by outcomes, and will draw on both Positivist and Interpretivist worldviews (Morgan, 2014). Paradigms are typically based

on four foundations: ethics; epistemology; ontology, and; methodology (Lincoln & Guba, 1990).

Research Paradigm	Ontology	Epistemology	Theoretical Perspective	Methodology	Data
Positivist	Single empirical reality	Reality is scientifically measured	Positivism Postpositivism	Experimental research Surveys	Usually quantitative
Interpretivist	Multiple created realities	Reality is interpreted	Critical Theory Social Constructionism Participatory Action	Narrative Research Phenomenology Grounded Theory Ethnography Case Study Action Research	Usually qualitative Mixed
Pragmatist	Single & multiple realities	Reality is measured and interpreted	Post-positivism & Social Constructionism as approaches to research	Emphasis on experience	Mixed

Fig. 7: Research Paradigms

Adapted from Denzin & Lincoln (2018); Creswell, (2013); and Morgan, (2014)

According to Lincoln & Guba, my choice of research paradigm would be driven by my beliefs, and would therefore inevitably impact on the conclusions I reached. It followed that I should be clear as to what these were so that any implicit biases were made explicit insofar as was possible. However, beliefs about what? What was the research paradigm to be applied to?

In essence, the answer was the Research Question. However, I recognised that, in particular, I needed to focus in on what part of the Research Question the research paradigm needed to address, which I considered earlier in my discussion of research aims and objectives. In total, the Research Question related to what the Drivers were in regard to founder-leadership succession within family-owned SME's, with particular regard to HC-Co. Each part of the Research Question was clearly relevant through providing focus and clarity: on what the Drivers were; that it specifically related to founder succession; and that it was within the context of family-owned SME's. However, one part seemed to be of the essence; understanding what leadership meant, after all this what was being transferred from the founder to the successor. When considering which theoretical perspective was most appropriate, being clear about what I thought leadership meant ontologically, and how it could be understood epistemologically, would in turn clarify how best to approach it methodologically.

3.3.1 Ethical Considerations

However, before considering different ontological, epistemological and methodological perspectives, I first wanted to consider the ethical implications of this research, and what safeguards the chosen research methodology should include.

The maxim to 'do no harm' lies at the root of many ethical guidelines (Smith, 2005), whereas others argue that you must also try and do some good. Supporting the do-no-harm approach was Khanlou & Peter (2005) who suggested a number of checks should be considered as part of deciding whether a social research project was ethical, including: how socially or scientifically beneficial it was; its scientific validity; whether the participants were selected fairly; what was the risk-reward ratio to those affected by the research; was it subject to independent review; were the participants given informed consent, and; was respect shown to everyone involved. Whereas Kincheloe et al. (2011) took a more proactive approach. They argued that, for research to be ethical, it should examine ten key areas. These two viewpoints represented very different approaches, but I was concerned that adopting an ethical approach that exerted too much influence on the objectives of the research had the potential to become the ethical 'tail' wagging the research objective 'dog'.

Another approach was (Heron and Reason, 1997) who argued that ethics were an intrinsic part of some paradigms, so perhaps simply selecting the right paradigm would be sufficient to address ethical considerations. Whilst Positivism and Postpositivism required controls and balances for such approaches to be ethical, they argued that others had them included intrinsically; such as with Critical Theory, Social Constructionism, and participatory action approaches. Whilst each type of research paradigm could therefore be ethically constructed, and some may be more biased in this direction than others, I believed an ethical outcome would not be automatic. For example, whilst research paradigms that are done 'with' rather than 'on' the subjects will typically mean the subjects are more informed, their greater involvement would only have an indirect effect on the 'no harm' factors cited by Khanlou & Peter.

The conclusion I reached was that 'do good' type ethical codes were as likely to confuse the research objectives as to protect participants from harm. Conversely, I believed that the 'do-no-harm' models of ethical guidelines offered a valuable safety net to help ensure the research methodology was at least designed in an ethical way. Whilst a research methodology that sought to do good should not be ruled out if it was complementary to the research objectives, my conclusions were that it should be designed to do-no-harm as a minimum.

This approach was primarily implemented through the ethical review process were I proactively considered the research being contemplated from a number of stakeholders'

perspectives, whereas the Company's clients were excluded because I felt contemplating a change of leadership might cause this largely vulnerable group anxiety. I also applied this approach when asking potential Participants to take part by doing my best to ensure they did not feel pressurised, and in how I phrased questions and conducted group sessions with those who did take part.

3.3.2 Ontology

So, whilst ethics was an important safety net to protect those potentially impacted by the research, ontology had a more obvious link to the research paradigm chosen. It was about exploring whether something 'exists' and, if so, how (Williams, 2016). For example, if I believed that the Drivers of leadership were formulaic and could be quantitatively measured, I would be drawn towards a Positivist paradigm. Whereas if I believed leadership only existed in the eyes of the people considering following that person's lead, and the relevant Drivers were those that impacted their perception of that leadership, I might be drawn to an Interpretivist type paradigm. If both, I might choose Pragmatism.

According to Hacking (1999), perceived realities were often seen in a Positivist nature as the inevitable consequence of some objective qualities, e.g. leadership experience, the quality of their training, or a particular style. This was partially supported by Bryman (2012) who felt that two approaches were relevant to social research: Positivism, through imitating the natural sciences, and; Interpretivism, which saw the subject matter of social science as fundamentally different to that of the natural sciences. I could see Hacking's Positivist approach evident in the natural science example of Complex Adaptive Systems theory (Holland, 2012), which argues that, for example, a group of employees were likely to form a collective opinion on any potential leader's merits. However, the rules and boundaries of such systems would be formed and changed by the employees' interactions with the potential leader in an Interpretivist way. The Positivist approach therefore only seemed partially relevant as a metaphor for human behaviour, with its essence being the socially-constructed nature of these interactions.

Applying this to the Research Question, whilst leadership succession at its simplest may have solely involved the old and new leader whereby the former appoints and then hands over authority to the latter, this seemed an oversimplification. Whilst I could see who the leader was in a Positivist way by whose name-plate was on the door, it did not mean that people would be prepared to follow their lead. At its essence, I recognised that I saw leadership as a social process affecting and being influenced by not only the principal players, but all those affected by that leadership (Hollander, 1992). Engaging with these stakeholders was therefore a critical part of leadership. Seeing leadership as a social process was consistent with Hacking (1999), who agreed that such 'realities' were socially

constructed. This did not just apply to judgements of success or failure, but upon what basis those judgments were made. My conclusion was therefore that leadership, if it were not to be an empty title, was a social construction between the leader and those who chose to follow their lead, or not, which ruled out Positivist paradigms. To my mind, whilst Positivist models may have been helpful for their metaphorical value, Interpretivism, and specifically Social Constructionism offered a better ontological viewpoint for the social context in which leadership existed.

Social Constructionism is an Interpretivist viewpoint (Williams, 2016), which was supported by Barge and Oliver (2003) who cited the importance of language in constructing reality. Cunliffe & Eriksen (2011) argued that this was not a formal process or negotiation but happened within everyday conversations.

Finally, I considered whether Pragmatism offered a superior ontological approach by combining the best of Positivism and Interpretivism. In some ways it was tempting but, at an ontological level, this felt antagonistic to me. Whilst Positivist qualities such as qualifications and years of experience were factors that may be considered as part of the socially constructed viewpoint that the various stakeholders took of a leader, they had no intrinsic meaning on their own. One group may see a particular qualification in a positive light, and another negative, and either may change their viewpoint over time. This was true of all the Drivers identified in the literature review where there was no objective measure as to whether they applied or not, but more a subjective, socially-constructed view of their relevance. In the case of the Research Question, I therefore felt that Pragmatism added nothing of value, whilst potentially causing confusion, and therefore disregarded it.

Having settled on an Interpretivist ontological approach, I moved on to consider the best way to understand leadership and the Research Question from this perspective.

3.3.3 Epistemology

Epistemology is about knowledge, what is relevant to the matter being studied, and how we can obtain it (Williams, 2016). In this regard, there were two ways I could approach understanding the Drivers of leadership succession: empirical observation, and reason. Empirical observation relies on our five senses to gather data, whereas reasoning is a function of thinking, and may either be inductive, deductive or abductive.

Turning to empirical observation, I had effectively ruled this out through my choice of Interpretivist ontology. Empirical knowledge is typically derived from numerical data that indicates the subject's physical attributes, a Positivist construct. From an epistemological perspective, taking a socially-constructed ontological approach meant there was no Positivist type independent reality from which to generate empirical data and knowledge

from. What mattered were the socially constructed meanings that the stakeholders gave to the issue, both individually and collectively. The data I had to work with was therefore the descriptions of how those meanings were constructed from which I could apply reasoning to generate explanations and hypotheses relevant to the Research Question. Reason as a method of gathering data therefore seemed more appropriate.

Creswell (2013) argued that the best way to generate this type of knowledge was through inductive methods, such as analysing written material that may reveal the thinking of the writer, interviews and observing. Nonaka & Lewin (2013) agreed that socially-constructed research subjects, such as understanding what leadership succession meant to people, indicated that reasoning was the only method to generate knowledge from the data, with inductive and deductive methods typically being used or, when new concepts were required, abductive reasoning (Cunliffe and Eriksen, 2011). However, having concluded that leadership, in the sense of the Research Question, was an Interpretivist ontology, it did not necessarily mean that all types of reasoning would be helpful.

For example, I found it hard to see how deductive approaches were likely to add value. If the CAS metaphor held true for how meaning was socially constructed, then the viewpoints taken by stakeholders on the leadership of HC-Co were subject to the rules and boundaries of the relevant CAS. If I were not a member of that particular CAS, say the employees at one of the Company's services, I would not know what boundary rules were being applied to any signals being received from a leadership candidate and, even if I were, such rules were likely to be implicit rather than explicit (Holland, 2012). It followed that I was unlikely to be able to apply deduction to understand what was going on.

Inductive reasoning might be more helpful, where I could draw conclusions as to probable causes of a particular viewpoint, but which fell short of the certainty of deduction. For example, if employee enthusiasm for a particular Leadership Candidate increased, I may be able to induct it was because of some actions they had taken. However, as Haig (2008) argues, where we are left to guess what is behind a particular action, such as the thinking of a CAS to which we don't have direct access, our only option is abductive reasoning. Whilst it would be preferable to have sufficient evidence to make a certain deduction, or a probable induction, my conclusion was that most of the time I was only likely to be able to apply abductive reasoning as to the possible causes of an action or opinion.

3.3.4 Theoretical Perspectives

In regard to theoretical perspectives, there were five major approaches to consider: Positivism; Postpositivism; Critical Theory; Social Constructionism, and; Participatory Action (Kamberelis et al. in Denzin & Lincoln, 2018).

	Positivism	Postpositivism	Critical Theory	Constructionism	Participatory
Ethics	Extrinsic / deceptive	Extrinsic / deceptive	Intrinsic / moral tilt to revelation	Intrinsic / process tilt to revelation	Intrinsic / process tilt to revelation
Ontology	Naive realism	Critical realism	Historical realism	Relativism	Participative reality
Epistemology	Dualist / objectivist	Modified dualist / objectivist	Transactional / subjectivist; value mediated	Transactional / subjectivist; co created	Critical subjectivity
Methodology	Experimental / manipulative	Modified experimental / manipulative	Dialogic / dialectical	Hermeneutical / dialectical	Political participation in collaborative action inquiry

Fig. 8: Theoretical Perspectives

Adapted from Heron & Reason (1997)

Positivism was based on the notion of a single reality that was predictable and knowable through study (Guba and Lincoln, 2005), whereas Postpositivism argued for a single reality, but which could never be fully understood. Both of these seemed incompatible with the socially-constructed viewpoint of leadership I had chosen, which could therefore conceive of a number of different realities.

Critical Theory offered a different perspective, arguing that the struggle for power lay at the heart of much human interaction (Denzin & Lincoln, 2018). In so much as leadership typically gave power over others, Critical Theory may offer some insights into these relationships, but did not seem to provide for a socially-constructed approach to leadership.

On the other hand, Social Constructionism did seem more compatible. This held that realities were mentally constructed based on experience and interaction with a group, allowing for multiple realities to exist (Guba and Lincoln, 2005). However, this fell short too in that the Research Question was asking about what Drivers impact leadership succession, but in particular regard to HC-Co. There was implicitly an action element that required interaction with those people who would be giving meaning to an event that had not yet completed.

Participatory approaches, which accepted that meaning was created by the group in order to create one reality between them and could be learned about through active engagement with the group (Chevalier and Buckles, 2013), seemed a better fit. The founder-leadership succession was being contemplated and prepared for as this research was being done. Therefore, the meanings that would help answer the Research Question were being changed and formed in real time, rather than as a past event to be studied. Whilst both Critical Theory and Social Constructionism might offer insights into the Research Question, it was only a participatory approach, with its active engagement with

the group, that provided for understanding the fluid and socially-constructed nature of the ongoing founder-leadership succession. However, I could also see challenges.

To understand the meanings these groups were giving, and how they went about constructing those meanings meant being able to access their thinking but, in the sense that these groups are CAS, they had boundary rules that kept certain people out, and allowed others in (Holland, 2012). It seemed doubtful to me that these CAS would simply change their access rules to allow me in just because I was doing some research. I therefore considered this issue further below.

3.3.5 Research Strategies

I next considered which strategies might be most helpful, with Creswell (2013) suggesting five: Narrative Research, Phenomenological Research, Grounded Theory, Ethnographic Research, and Case Study to see if any of these could help me to understand the Research Question. However, the subject being investigated was the Drivers that would impact HC-Co's founder-leadership succession, and in particular what they meant to those who had influence over the leadership succession. If I simply wanted to understand what the key stakeholders' views were of the Drivers in regard to some past succession, the simplest approach might be to select these people as subjects for the research and use one or more of the approaches above. However, the research related to an event that was in the process of happening, and to which the socially constructed meanings were still emerging. Further, at its heart, leadership succession was a change process, with most modern change thinkers arguing that the people most affected by the process should be at the heart of it (Cooperrider et al., 2008; Zigarmi et al., 2008; Kotter, 2007). This was consistent with my conclusions on theoretical perspectives, and I therefore decided it was important to find a method that undertook the research with the key stakeholders, rather than on them, but which I had already identified was not without its challenges.

One method was Participatory Action Research (PAR), which Reason and Bradbury (2008) describe as a, 'participatory, democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes'. Given that I was not just trying to understand leadership succession in an abstract way, but in relation to the founder-leadership succession that HC-Co was preparing for, this made PAR particularly relevant. Further, by connecting theory and technique to solve an organisational challenge (Chevalier & Buckles, 2013), this approach seemed well suited to addressing the Research Question through being able to draw on any helpful theory, but in a pragmatic way. Epistemologically, PAR was also able to accommodate the reasoning approach to understanding the socially constructed ontological perspective I had adopted.

It was also well suited ethically to meeting Khanlou & Peter (2005) checks: the research was socially beneficial as it was seeking to understand factors that influenced HC-Co's future survival; PAR was recognised as a scientifically valid research method; there were means to ensure participants were selected fairly; the risk reward ratio seemed in balance as everyone concerned would benefit from the Company's future survival; it was subject to the University of Liverpool's oversight (although any method chosen would have been); informed consent was part of the process, and; it was respectful to everyone involved by including them, or their colleagues, as researchers. PAR was therefore the methodology I adopted for this research.

3.4 PARTICIPATORY ACTION RESEARCH

By working with participants, PAR focuses on the social contexts of an issue in order to deliver collaborative, pragmatic outcomes through a combination of both action and research (Coghlan, 2011; Koshy, 2005) . This was the essence of what the Research Question was about; understanding the Drivers of founder-leadership succession so that HC-Co stood the best chance of being one of the 28% who survived (Lomax et al., 2015). Through its iterative process, PAR also combined reflexivity on practice and theory with experimentation within the social context that organisational challenges are typically found (Chevalier & Buckles, 2013). In regard to HC-Co, there was considerable theory summarised in the literature review that could be applied to the organisational challenge of understanding the Drivers of success or failure of founder-leadership succession.
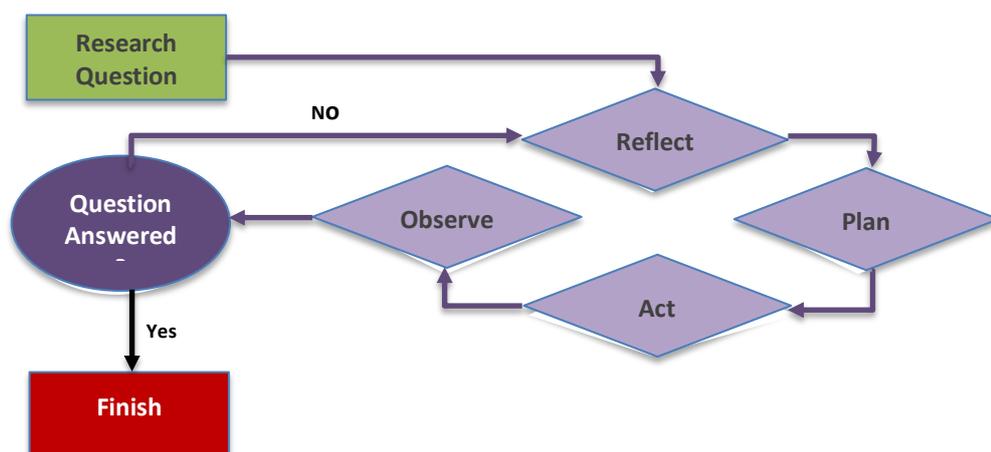
Fig. 9: PAR Process

Adapted from Chevalier and Buckles (2013)

In the context of this research, I was aware the duration of the research was likely to be less than the duration of the founder-leadership succession. I could therefore move towards understanding the challenge of the Company surviving the founder-leadership succession, but I also had to be clear that was beyond the scope of this research which

focused on more foundational issues, i.e. what the Drivers of founder-leadership succession were, rather than mitigating them. In this regard, the key reflection would be on which Drivers were relevant to founder-leadership succession, and how they might apply to HC-Co.

3.4.1 Participant Researcher Selection

The key element of PAR was to form a team of participant researchers who had to be selected fairly in order for the research to be ethical and accepted by the non-Participant employees, and started with the principles of stakeholder salience (Mitchell et al., 1997). Those considered to have salience would have either power over the process, a legitimate interest in its outcome, and/or an urgent interest in the matter.

To this end, the Company operated at three locations and had two broad categorisations of employee: staff who delivered services, and; managers who facilitated the delivery of those services. I also felt there was an important sub-group, being those who aspired to be part of the leadership succession, the Leadership Candidates. In view of the risk of the findings of the Participants being rejected by non-Participant employees, I felt the broader the mix of insider Participants the better. I therefore recruited a representative employee and manager from each of the organisation's three services, along with the three Leadership Candidates who were being trained to explore their potential to take over the leadership of the Company.

I next considered the people who the Company provided a service to, which included both clients who received care and support directly, but also their families. Whilst they would no doubt have had an interest in the process, I did not consider they had sufficient salience in terms of power, legitimacy and urgency to meet the inclusion criteria. I was also concerned their inclusion might have been counterproductive if uncertainty over the future leadership of HC-Co was to cause anxiety in a group of people who were very dependent on the Company.

Some external stakeholders potentially had either an influence on, or a perspective that may have been beneficial to the succession process, such as key suppliers or regulators, but I felt the potential adverse consequences of their involvement outweighed these benefits. Such adverse consequences might have included a loss of confidence in HC-Co due to an uncertainty over future leadership (Anderson et al., 2003), and which may have been hard to mitigate until the credentials of those future leaders had been established. However, I felt there were two exceptions; HC-Co's bank manager and accountant/auditor, whom HC-Co were legally obliged to keep informed of such debates anyway. Both were also likely to have direct knowledge of other companies who had gone through a similar process and may therefore have relevant perspectives to offer. They also had intimate

knowledge of HC-Co and could therefore apply this perspective in a potentially useful way. Further, rather than being concerned by the process, because of their risk-adverse and expert perspective I considered the bank were likely to take comfort from the fact that HC-Co was facing up to a risk which the bank would already be aware existed.

The final Participant was my wife who owned HC-Co with me. As one of the retiring leaders, I felt it was important that her perspective was included, and who also willingly agreed to take part.

Insider/Outsider	Role	Sex	Age	Years with Co
Insider	Carer	Female	40's	18
Insider	Carer	Female	40's	6
Insider	Carer	Female	20's	3
Insider	Ass. Mng.	Female	20's	6
Insider	Ass. Mng.	Female	20's	6
Insider	Ass. Mng.	Female	30's	6
Insider	Manager/LC	Female	50's	25
Insider	Manager/LC	Female	50's	10
Insider	Manager/LC	Female	30's	9
Outsider	Banker	Male	30's	2
Outsider	Accountant	Male	50's	20+
Insider	Owner	Female	50's	25
Insider	Owner/Lead Researcher	Male	50's	32

Fig. 10: Participant Data

Note: 96% of the Company's employees are female, which is not unusual for the care industry.

3.4.2 Ethical Implications of PAR

I touched on ethical matters when considering the research paradigms, and one of the great benefits of PAR was that it was inclusive and naturally keeps the Participants informed. However, there were other issues I felt needed to be addressed (Creswell, 2014). Each Participant received a detailed briefing on what the research was hoping to achieve, and signed a consent form to confirm their wish to be involved. However, these documents only showed an intent, which had to be put into practice, with the following being the key ethical risks I had to manage:

> There were multiple power imbalances that existed between the Participants and myself: I was the joint owner of the company; I was also the Lead Researcher; there were differing educational levels; I had access to information which, for reasons of confidentiality, I could not share with everyone, and; I largely controlled the pace and structure of the research.

There was a risk of an information imbalance between the Participants; for example, I might share more information with those I saw more often, i.e. the mangers vs front-line staff. Apart from the fact that such imbalances may create a risk of bias through leading individual Participants' thinking, it would also have been inequitable.

There was a risk that Participants may benefit, or be harmed, by being involved in the process. Whilst I had a lot to do with employees at management level, I was less involved with those working at the front line. The involvement front-line staff had with me was bound to update my opinion of their abilities, which might therefore help or hinder their promotion prospects.

There was also a risk that my pre-knowledge of the Participants may act as a filter to their contributions, introducing a further level of bias.

Finally, because I had a vested interest in a successful outcome to the leadership succession, I may have been tempted to only share information that I felt supported that process (James, 2006).

My conclusion was that I should actively consider these and other ethical considerations with the other Participants as preparation for, and reflection after each iteration of the PAR cycle. An example of this was in regard to whether my wife and I were the best people to select our successor.

3.5 RESEARCH METHODS

Having chosen the research methodology, I then considered how to apply it by selecting a research approach that included: identifying the study population; deciding what sampling methods would be most appropriate, and; how I would collect, process and analyse the resultant data.

3.5.1 Research Approach

3.5.1.1 Study Population

The study population were those people I considered were most likely to be able to assist with addressing the Research Question (Creswell, 2014), and from whom the Participants were selected. Whilst the literature review had identified a number of Drivers that had typically affected other companies' founder-leadership successions, these Participants were the people who were likely to have insights as to how they may affect HC-Co. I also recognised that, once we started the research, we may find areas where specific

knowledge resided with people who were within the study population, but who were not yet a Participant. For example, whilst I had chosen not to include any regulators for the risks this may bring, if the value of clarifying a particular Driver exceeded the perceived risk, I might choose to invite them to become a Participant. It was also possible that the salience of existing Participants may reduce, for instance if they were to leave or an event meant the CAS they represented no longer considered them to be a member. In these circumstances, I anticipated that additional Participants may need to be recruited also.

3.5.1.2 Sampling Strategy

A sampling strategy is required when the number of people who could contribute to the study is too large to be pragmatic which, as already discussed above and in section 3.4.1 on Participant selection, was the case. I therefore had to decide on a sampling strategy. In fact, PAR came with its own sampling strategy through its selection of Participants to represent the wider population affected but, before presuming this was sufficient, I wanted to consider what other options might be helpful. In this regard, Patton (2015) identified a number of approaches, including:

> **Maximum variation** – By selecting a range of Participants based on their salience and defined by different relationships to the Company (i.e. owners, professionals, staff, managers & Leadership Candidates), PAR is compatible with this approach. However, I had ruled out some groups, such as clients and regulators, because they also had risks associated with their involvement, and so this fell short of maximum variation.

> **Homogeneous** – By applying stakeholder salience, I had chosen a sampling strategy that was homogeneous in this regard.

> **Typical cases** – There were no typical cases to sample, save through some of the articles reviewed in the literature review. However, the Research Question was specific in regard to HC-Co which had experienced no previous leadership successions.

> **Key informant** – My choice of Participants was also consistent with this through selecting people who had the most salience to the Research Question and were therefore most likely to have key information to contribute.

> **Complete target group** – Consulting all stakeholders in the Research Question would have meant sacrificing quality for quantity, i.e. relying on questionnaires rather than interviews.

> **Quota** – I had also applied this approach by selecting a quota of Participants from amongst the staff group, managers and Leadership Candidates.

Purposeful random – I felt the number of potential Participants was too small for this to be practical.

Time-location – There was a time element to the sampling, although not deliberate, as a Participant left during the process and therefore had to be replaced, but there was a more deliberate strategy to recruit Participants from the Company's three locations.

My conclusion was that my initial selection process for the Participants represented a reasonable sampling strategy. However, in the same way that there were a great number of potential Participants, I also felt a sampling strategy was needed to decide which of the Drivers identified in the literature review should be considered. There were also probably going to be additional Drivers identified by the Participants when they made their contributions. Creswell (2014) recommended purposeful sampling as a way to approach this, which I applied in two ways:

I wanted to get the Participants' thoughts on Drivers before sharing the results of the literature review as I felt to do so would make them less likely to contribute new ideas, which was therefore the focus of the first PAR iteration. In accordance with Creswell's (2014) recommendation, this was done in a largely unstructured way to facilitate the widest range of responses, which were then narrowed down in subsequent research iterations.

I also did not want to potentially waste the time we would have together focusing on Drivers that either obviously applied to HC-Co, or clearly did not. I could see that subsequent research would have to address how to mitigate or take advantage of those Drivers that did apply to HC-Co, but the focus of this research was to single out those that the Participants felt might. I therefore used my reflections on the literature review to shortlist issues to review with the Participants in the second iteration, with subsequent iterations being based on the outcomes of these first two.

Whilst the above approach seemed rigorous, it was not without its problems; most of the Participants where happy to contribute, but there was some reluctance at times. For example, the first iterations were by way of one-on-one video conferences which I never was able to persuade one Participant to actively engage in because they found the process too uncomfortable. Further, the third iteration was by way of a focus group which I asked the professionals and my wife not to join in as I felt others might be less likely to contribute. However, in the end only one staff Participant took part and showed signs that they were

less than comfortable talking in front of managers. I discuss these issues in more detail in section 6.4.1.

3.5.1.3 Key Concepts and Measurements

Patton (2015) notes that concepts and measurements are mental models that direct what we look at. They can therefore be helpful to direct us towards the relevant but can also mean we focus away from potentially important insights if not chosen carefully. As part of the literature review I drew on the various articles to form a WAF which identified some key concepts and Drivers that may be relevant to the Research Question. As this model was based on a detailed examination of the available academic literature, I felt it was a reasonable basis to draw concepts from. In line with the Interpretivist epistemological approach, measurement of these concepts would be by way of the conversations I was to have with the Participants as to how relevant they felt they were to the Research Question.

3.5.1.4 Data Objectives and Collection

The Interpretivist approach I was taking, combined with the PAR methodology meant that I was looking for qualitative data, which I anticipated would include my conversations with, and observations of the Participants (Patton, 2015). The objective of the research was to address the Research Question, and therefore the objective for the data collection was to gather the information that helped me to understand what the Participants' contributions were to answering this. In so doing, I attempted to follow Patton's (2015) recommendation to be empathic, neutral and mindful:

> Being empathic involved me trying to understand the subjective experience of each Participant which, having spent many years working alongside many of them, I realised I may already have some insights into, but which might also lead me to jump to conclusions. I recognised that, in as far as is possible, I needed to park any pre-understanding I had and listen with an open mind.

> I further recognised that being an inside researcher would make it hard for me to remain neutral on subjects I felt strongly about, but also recognised that, if I was not to influence the contributions made, I had to avoid the temptation to argue my corner.

> I also had to remain mindful, to focus in on the essence of what the Participant was saying and any hidden messages or body language that may better help me understand their contribution.

In regard to how I planned to collect this data, Bryman (2012) suggested a number of methods including: interviews; focus groups; questionnaires; emerging questions, and; structured observations. Whilst questionnaires were useful for approaching large numbers of people, I felt they were not useful to this research as they did not easily allow for

exploring emergent themes or clarifying what the Participant specifically meant. However, both interviews and focus groups did allow for this, and seemed better suited to the number of Participants I was working with. I also felt that conducting these interviews and focus groups in a way that allowed me to observe and better interact with the Participants was also likely to yield richer data on which to base my analysis.

Further sources of data were suggested by Creswell (2014), including observations, documents, and audio-visual material as sources of suitable data. Observations made sense, as per Patton's recommendation to be mindful, but I could not think that there were likely to be any primary documents or audio-visual material that already existed. The concept of founder-leadership succession only really emerged as part of this research, although I recognised this would generate secondary documents and audio-visual material that would then be the main source of information for analysis. However, I was aware there may be primary documents that may be helpful to clarify ancillary points that were made by the Participants to test for consistency, to indicate a change in their thinking, or perhaps evidence that their responses were influenced by what they thought I wanted to hear.

The point of bias was also raised by Riessman (2008) who cautioned that the questions and methods of the interview could significantly influence the contribution of the Participants. One recommendation to address this was Patton's (2015) who suggested that, in order to get the richest possible data, unscripted and individual interviews were likely to be the most productive. However, whilst this was likely to reveal the Participants' own views, I felt it did not necessarily eliminate the risk of bias, and nor was it likely to elicit their views on the Drivers revealed in the literature review, or each-others' contributions. Another view was Bryman (2012), who recommended semi-structured interviews so as to address key points, but to also allow sufficient flexibility to explore any new issues the Participant might wish to raise, which I was more sympathetic to.

Another issue I had to consider was whether these interviews should be individual or collective. A key part of the Research Question was to understand how the Participants' views were socially constructed, which might best be explored in focus groups. However, I recognised that one of the risks of focus groups, especially when established hierarchies were involved such as HC-Co's management structure, junior voices may be lost. My conclusion was that a mixed approach was likely to be most productive: individual conversations to capture individuals' contributions, and; focus groups to see how these ideas evolved collectively.

For the first iteration, my plan was to draw out each individual's insights into the Research Question, but without the distortion that introducing concepts from the literature review would bring. However, without any questions, as recommended by Patton, I felt the interviews were likely to be unproductive and I therefore decided to follow Bryman's semi-

structured approach. Whilst I appreciated this introduced a risk of some bias, I asked each Participant the same six broad questions to get the conversations going.

Having had the opportunity to gather the Participants' unvarnished views, I decided the second iteration should build on the responses to the first iteration whilst also feeding in the Drivers identified in the literature review . This was again done as individual interviews to get the personal, rather than collective, opinion of each Participant. I was aware that it was possible, or even likely that some of the Participants would have been discussing the first-iteration questions and their responses to them, and which would no doubt influence their responses to the second-iteration questions, but I felt it best to save seeking collective opinions to the third iteration.

As noted above, a key outcome of the research was to understand how the Participants socially constructed meanings in regard to the Research Question collectively. The third iteration was therefore a focus group. However, I did not include all the Participants as I felt there was a risk of some voices not being heard. I therefore asked the two professional Participants not to take part, and who, by not being part of any of the Company's CAS, were likely to form their opinions independently anyway. I also asked my wife not to take part for similar reasons, leaving the Leadership Candidates, managers, and staff Participants to take part in the focus groups.

The final issue I had to decide was how to conduct the interviews. The disparate locations of the Participants over four different sites meant arranging face-to-face meetings was likely to be difficult. I also felt that meeting some face-to-face and others remotely also introduced a potential source of bias. I further recognised that providing a confidential location was important if the Participants were to feel able to contribute fully without the distraction of other people being aware of what they were doing, which was likely to be the case if the interviews were in HC-Co's homes. I therefore felt that video-conferencing was the best compromise for the one-on-one interviews. Whilst it would not give as rich data as meeting face-to-face, it would provide far greater flexibility for scheduling interviews where both myself and the Participants could be in places that were confidential and comfortable, and also provided a reasonable amount of consistency for all the Participants. By recording the video-conferences, I also had a useful medium to not only transcribe the conversations, but also extract further rich data by being able to review my own and other Participants' intonations and body language.

However, for the focus group, I was concerned that video-conferencing may not be the best medium. Whilst this may be effective for one-to-one interviews, I felt some Participants, who were not familiar with the technology, may be reluctant to contribute where the means of recording the meeting was more obvious than a webcam. Further, on a one-to-one basis, any discomfort was likely to be easier to notice and manage then when

a number of Participants were together. I therefore concluded that audio recording was a better solution for the focus group.

There was a total of three iterations, set out in the table below, showing which Participants by type took part in each iteration (numbers in brackets indicate maximum possible numbers). Each interview took between forty and eighty-five minutes, with the focus group lasting for ninety-three minutes.

Iteration	Type	Owners	Profs	LC's	Mngrs	Staff
First	Interviews	1 (1)	2 (2)	3 (3)	3 (3)	2 (3)
Second	Interviews	1 (1)	2 (2)	3 (3)	3 (3)	2 (3)
Third	Focus Group	0 (1)	0 (2)	3 (3)	2 (3)	1 (3)

Fig. 11: PAR Iterations Participation

Prior to each iteration, I prepared a list of questions to be asked to ensure consistency. Each iteration had planning, action, observation, and reflection phases. For the initial iteration the planning was done by me, the action was with the Participants through asking and answering the first-phase questions, followed by my observation of the results we obtained. The reflection for the first iteration was done partially by me when deciding what questions to ask for the second-iteration, but also with the Participants as these questions focused on some of their answers from the first iteration. The same format held true for the third iteration, save there was no subsequent iteration for further reflection. With the value of hindsight, this was one area where I felt I could have improved the application of the PAR process in.

3.5.1.4.1 DATA PROCESSING AND ANALYSIS

The data to be processed was the conversations from the three iterations, and all the Participants kindly agreed to these being recorded. These were subsequently transcribed and offered to each Participant to verify their accuracy; only one of the Participants suggested a small change be made to one of the transcripts. I then coded each according to the themes set out in the WAF to support the observation and reflection PAR stages.

Before the above data could be analysed, I recognised that it needed to be simplified and condensed into a format that made analysis and drawing conclusions easier (Miles and Huberman, 2014), with their model, below, complementing the PAR process.
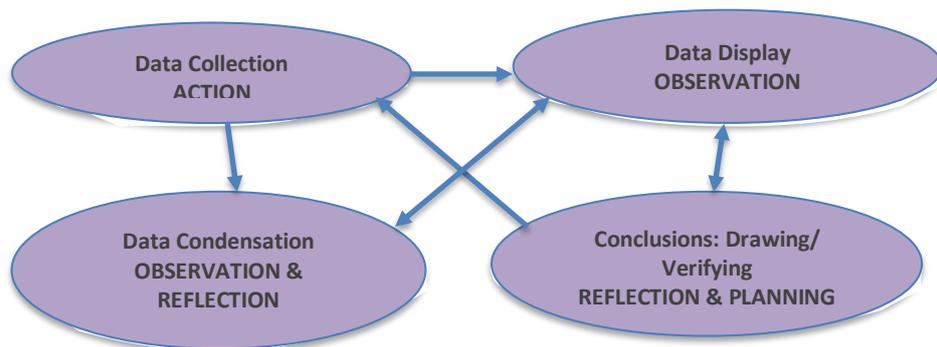
Fig. 12: Qualitative Data Analysis

Adapted from Miles and Huberman (2014)

The data collection was by way of the recordings and transcripts, with the data display and analysis being achieved by two methods. A table for each Participant's transcription was prepared that analysed each paragraph by WAF themes, emergent themes and observations.

Issue	WAF Theme 1	WAF Theme 2	Emergent	Participants
Commitment	Playing Games	Reciprocity	Communication	LC1, M3

Fig. 13: Theme Analysis Spreadsheet Example

These were then fed into a spreadsheet for analysis of these themes by Participant type and volume of observations, to which I then applied a grounded-theory-type approach by exploring the data in order to tease out the social construction processes that were likely to be happening. The analysis of each iteration's data then contributed to the next iteration´s questions (Denzin and Lincoln, 2018). This process was repeated for each iteration, with the conclusions then being written up and refined during the process of writing this thesis.

ACTION ITEM	OBSERVATION	REFLECTION	PLANNING
Interview Text	WAF	Emergent Themes & Insights	Future Questions
"I think the clients could do with knowing, they should all know. I don't think it should be kept secret."	Multiphase Issue-Key Stakeholder Commitment	Clients are seen as a key stakeholder. It is important they know about the leadership transition. Does the Participant fear that the transition process may be kept inappropriately secret?	Why are clients key stakeholders? Why is it important they know about the process? Could any harm come from them knowing? What are your concerns about the

			possibility of it being kept a secret?
"I think as a starting point, six months to a year is a good frame to know if you're succeeding or that you need more time for certain areas."	Single-phase Issues-Planning	The original plan may need modifying. Timing is uncertain. Progress may be asymmetric.	How will we know if we are succeeding? How can we make a judgement as to how much more time is required?

Fig. 14: Transcription Table Example

One issue that became clear during the categorisation process was that attributing a quotation to one theme or another required judgement (Patton, 2015). Where there was ambiguity, I considered the questions and conversation immediately preceding the quote to decide which the most appropriate category was. Another issue was that, when speaking, Participants' meaning was often clear, but the sentences were not necessarily grammatically correct, and often included repetition whilst they paused to clarify their thinking. Where this was obvious, I tidied the sentences to improve readability.

3.5.2 Research Limitations

Having chosen PAR as the research approach I would take, I recognised it was not without its limitations, and I therefore considered how I would manage these.

3.5.2.1 Insider Bias and Role Duality

One feature of PAR is that it often involves the researcher undertaking research on their own organisation (Chevalier and Buckles, 2013), as was the case in regard to this thesis. I was both the lead researcher and part owner of HC-Co and this brought with it some unique challenges. According to Coghlan & Brannick (2010), these included preunderstanding, role duality as a leader and researcher leading to confusion, and issues around access.

I had preunderstanding about HC-Co and the people who worked in it. As such, I knew where to look for certain information, but was also likely to have pre-formed views on most issues, which may have clouded my objectivity and led to bias. For example, I was the designer of the Company's employee-ownership programme, which had been a precursor to the founder-leadership succession. It was something I had therefore thought a great deal about, and had formed a number of provisional opinions on, i.e. who might the best candidates be, what were their strengths and weaknesses, how might these be addressed, how might others react, what I could do to influence those reactions etc. Most Participants, save for my wife, would be just starting, whereas I was already firing on all cylinders.

In order to counter the bias that may come with preunderstanding, Coghlan & Brannick (2010) recommend proactively looking at familiar issues from new angles, working collaboratively with others to explore the possibility of bias, and to reflect in the third

person when looking back at the research. McNiff (2013) supported this approach by recommending researchers develop an outsider's perspective. I anticipated that working with the Participants might help counter this, along with discussing the various issues that came up with my wife more informally; we are quite good at challenging each other's thinking in a constructive way. However, I also recognised that she was likely to be subject to similar preunderstanding to myself. Coghlan & Brannick also recommend a first, second- and third-person approach to understand and manage these conflicts (Ibid), and I anticipated relying on my supervisor to reflect on possible issues of preunderstanding might also be helpful. In one sense I also recognised that the issue of preunderstanding may be made worse as part of my role as the lead researcher was constructing the questions for each iteration, and my preunderstanding may therefore bias my selection of questions to support my own views. I therefore recognised the importance of mentally stepping back, and looking at the whole picture in the third person McNiff (2013), including at myself, to try and counter this preunderstanding.

My role duality might also have led to bias through the conflict that this created: as a researcher I wanted to understand the Drivers of success and failure whereas, as a manager, I wanted to address them. This was evident in the fact that I created the Executive Team for the Leadership Candidates as a way to develop their skills towards taking over the leadership ahead of conducting the research as part of this thesis. As such, I was already addressing some Drivers of founder-leadership succession before the PAR cycles began, which ran the risk of my being pulled in various directions: to finish the process I had started in developing the Leadership Candidates; to give the other Participants time to fully contribute without my prejudging their contributions based on this experience, and; to modify the Leadership Candidates' development process in light of the findings of the PAR process. In a perfect world it might have been better to undertake this research first, and then start to recruit and develop successors, but the reality was different. I anticipated this tension would continue as the research uncovered new issues that would need to be managed, and that I would therefore have to make decisions on as to when the research should end, and the action begin. In some sense, PAR provided a solution to this through its iterative reflecting, planning, action, and observation phases which allowed for further research, and so I anticipated this dilemma was more focused on the initial stage of defining what the problem was to be solved.

Finally, my position in the company meant I was likely to have superior access to some information, but inferior access to others. For example, I had easy access to all types of confidential information as the owner and had access to whatever hard data I wanted. However, given the Social Constructionist ontology adopted, it was how people thought that was most important, and employees in particular may have been reluctant to share

their thoughts candidly with me. As thoughts are a subjective experience I could therefore only induct or abduct whether this was happening. Perhaps if I were solely a researcher they may have been happy to trust in the confidentiality of the process, but as the senior manager in the Company it would be understandable if they were considering my likely reaction to any information shared before doing so, and framing it accordingly (Kaplan, 2008). Jick (1979) recommended triangulating Participants' input against other data sources to check for consistency, and there were two ways I planned to do this. One was to try and look at issues from different angles and over different periods of time with the Participants to see if their views remained constant. The other was to see if there were other data points I could triangulate their expressed views against, such as actions taken before or since their expressed view to check for consistency.

In regard to role duality, the first, second and third-person approach (Coghlan, 2001) offered a potential solution but also raised ethical issues. For example, I could ask one of my research colleagues to conduct research that I felt might otherwise be biased if I did it personally if people modified their answers in line with what they thought I wanted to hear. However, if they didn't know I was the final recipient of the information, it might be ethically questionable, although might also not be effective if they suspected I was the final recipient as they still might modify their answers. The conclusion I reached was that I had to conduct research personally and consider issues of completeness on a case-by-case basis, using triangulation and other methods to test for bias, and adjust my conclusions accordingly.

3.5.2.2 Pluralism, Politics and Ethics

Another key limitation, and strength also, was that its participatory nature meant there would often be conflicting viewpoints that needed to be reconciled (Lawson et al., 2015). For example, some Participants may have been sympathetic to an outsider successor, whereas others might have prefer an insider (Brockhaus, 2004), which gave rise to the possibility that some Participants might be political in their contributions (Coghlan and Brannick, 2010). Such pluralism also exposed me to an ethical risk of citing only research that supported my favoured outcome. In a number of ways, these very issues were not just limited to PAR, but were already recognised Drivers of founder-leadership succession, such as stakeholders playing games to achieve their ends (Blumentritt et al., 2012). I recognised I had to be alert to these issues, and considered the same remedies for insider bias and role-duality were likely to be helpful here, such as taking a third-party perspective (McNiff, 2013), and checking my viewpoint with genuine outsiders, such as my supervisor (Coghlan and Brannick, 2010).

3.5.2.3 Groupthink

A final risk I recognised was that any group working together was at risk of groupthink (Mayo-Wilson et al., 2012), whereby a need for consensus drove them towards false conclusions. In particular, I recognised that any views that were associated with myself or my wife might receive more sympathetic attention than other ideas. I planned to address this by challenging my fellow Participants when I felt this might be happening as part of our conversations and be on the lookout for it when reflecting on their contributions afterwards.

3.6 RESEARCH METHODOLOGY CONCLUSIONS

The purpose of the Research Methodology section was to build on the literature review to form a basis for the subsequent Analysis & Discussion. My conclusions were that an Interpretivist paradigm was best suited to addressing the Research Question given that the ontological approach I selected was that what leadership meant, which was a fundamental part of the Research Question, was a socially constructed phenomenon. As such, I further concluded that the most suitable epistemological approach was through inductive and abductive reasoning to explore how stakeholders formed these socially constructed meanings. The research strategy I adopted was PAR which enabled me to work with representatives of a number of stakeholder groups in a way that minimised the harm to any group, but which ultimately meant excluding our vulnerable clients and their families from the research. I also had to consider the implications of being an insider researcher. Finally, I selected data collection and analysis strategies that allowed me to compare and contrast the Participants' contributions to each other, including planning for how I would counter insider-bias and role-duality issues, and the themes identified in the literature review summarised in the WAF.

4 FINDINGS

4.1 INTRODUCTION

In the literature review I considered what academic literature might aid my understanding of the Research Question, and which enabled me to generate the WAF as a basis to analyse my research. I also reflected on what methodology would best help me approach my own research. Building on this foundation, it was now time to work with the Participants to address the Research Question, 'what [were] the drivers of founder-leadership succession within family-owned SME's that may relate to HC-Co'.

4.2 PAR ITERATION PLAN

I wanted to understand how relevant the Participants felt the Drivers identified in the literature review were to HC-Co, but I first wanted to explore with them what they personally saw as the Drivers of founder-leadership succession. The first iteration therefore used six 'conversation starter' questions that invited them to consider founder-leadership succession from different angles (Coghlan & Brannick, 2010). I specifically did not focus on any of the Drivers identified in the literature review as I did not want to lead them, but instead asked questions that invited them to focus on different concepts connected with founder-leadership succession: what does leadership mean; what are the key objectives of an founder-leadership succession; what could go wrong; does it create opportunities; what makes a good successor, and; which stakeholders should we consider? Iteration-one used video conferencing for one-on-one conversations with each of the Participants, save I was unable to arrange a conversation with one of the staff Participants. For security reasons within their firms, the two professionals were unable to share the video part of the call.

Having captured the Participants' own thoughts on what the Drivers of founder-leadership succession were, I introduced some Drivers from the literature review in the second iteration that I felt would benefit from examination with the Participants, as well as exploring some of those that the Participants had introduced in the first iteration further. The key objective was to find how relevant the Participants felt each was as a Driver for HC-Co's founder-leadership succession. This generated seventeen questions, although two of these were not put to the professional Participants as they would have had no knowledge of the issues: teamwork problems, and; workload. Iteration-two again used video conferencing, and I was again unable to arrange a conversation with one staff Participant.

The third iteration built on the first two, but by way of a focus group. I specifically asked my wife and the professional Participants not to join in as I felt that their status may compromise the other Participants' ability to contribute, and so invited just the Leadership Candidate, manager and staff Participants. One manager and two staff Participants were unable to attend. My conclusion after the focus group was that being selective as to which Participants did and did not attend had not effectively dealt with my participation concerns, and which I address further in the Conclusions chapter. The objective of the third iteration was to address the remaining issues where I still had questions.

I again applied PAR to each of the iterations through reflecting on which questions were most appropriate, planning how to put them to the Participants, and then acting on these plans. The observing and further reflection followed by way of the Transcription Table and Theme Analysis Spreadsheet.

The majority of the iteration one conversations happened between 10th and 24th January 2017, although one was delayed until 8th September 2017, the second iteration conversations happened between 10th and 16th August 2018*, and; the third iteration focus group happened on 17th September 2018. Whilst this extended timescale was not initially planned for, it did have the advantage of allowing the Participants an extended period of time upon which to base their comments, and also gave time for some of the issues to mature. For example, the issue of workload was raised in iteration one, and which led to the action of the Leadership Candidate´s workload being changed. The Participants were able to see and comment on the changes this had brought about in iteration two.

> **Note:** There was a seventeen-month gap between iteration-one and two, primarily because of communication issues between myself and my first supervisor.

4.3   MANAGING THE ITERATIONS

Once I had formed a plan for what I hoped to achieve in each iteration, including draft questions, I emailed each of the Participants to ask when they would be available. In the first two iterations, this was for one-to-one video calls, and a face-to-face focus group for the third iteration.

For the first iteration, everyone responded quickly, save for one where we never managed to arrange a mutually convenient date. My judgement was that the problem in setting a date was in part due to the Participant's nervousness, which I hoped to be able to overcome in time for the second iteration; in vain as it happened. Whilst not ideal, I was able to get detailed contributions from the other two Participants in her class of Participant (Staff Participants), and I did not therefore see this as a significant omission in terms of the quality of the research.

When it came time for the second iteration, one of the Participants had left HC-Co. I did invite her to participate but, when she did not respond, I felt I should respect her right to move on. However, I did feel this left a partial imbalance in regard to the remaining Participants, and I therefore recruited a further Participant of similar standing to take her place. All of the video conferences went well save for one where the Participant found the format uncomfortable, and therefore the conversation was put on hold with the questions then emailed to the Participant to respond when they were able.

In fact, this Participant never did respond. My impression was that she felt uncomfortable on a number of levels, including interacting with me directly, that she found the subject matter difficult, and she was afraid of saying the wrong thing. I tried to put her at ease on several occasions but was not equal to the task. Whilst it would have been useful to have her input, I did receive input from Participants with similar backgrounds, and therefore felt the research remained valid without her contribution. However, I also wondered whether a different approach might have been more effective in regard to the Staff Participants.

Save for the two questions marked with an asterisk, which were not relevant to the two external Participants, I put all of the questions to each of the Participants, regardless of their responses in iteration-one. This did mean that some Participants addressed the same issues twice where they had raised it in Iteration-one, but I recognised their thinking may have developed and therefore wanted to give them the opportunity to update their contribution.

For iteration three, an email was sent to invite the nine Participants who were to be invited (three each of Leadership Candidates, Management Participants and Staff Participants), but three were unable to attend: two Staff Participants and one MP. I did explore other dates which revealed other potential diary clashes, but I was also left with the impression that two of the Staff Participants felt uncomfortable about the format of giving their view in front of Management Participants and Leadership Candidates. When the forum discussion happened, I felt I had made the right decision in asking the Professional Participants and OP to stand aside, but perhaps should have gone further in view of the Staff Participants reluctance, which I discussed further in section 6.2.

The forum meeting was held in a summer house at one of the homes, with the questions being read out by me, but also projected onto a screen as I had observed that many of the Participants in the earlier conversations had not understood the questions when first asked. This may have been because my choice of words had been poor, but I also recognised may have been because they needed more time. I therefore reflected that, by projecting the questions as well as reading them, the additional time this provided to take the question in before answering might be helpful. This proved to be partially correct as clarification was only requested on one of the five questions.

In the first two iterations, each conversation was recorded with the Participants' prior permission and with a reminder at the start of each session for later reflection. Each of the one-to-one video conferences included sound and video, save for the two professional Participants where the video function was not available to them. In the focus group I recorded only sound.

4.4   PARTICIPANT CODES

I initially wrote up my analysis without giving any form of identity code to each Participant´s comments as I wanted to maintain their confidentiality. However, I realised that this prevented drawing more nuanced conclusions, such as where particular classes of Participants were focusing on a Driver which others were not. I therefore considered using Participant codes. For each class of Participant, save for one (my wife), there was more than one Participant, and therefore this approach still left some ambiguity as to who said what. However, the reality was that, whilst using Participant codes provided more insight into the data, they also compromised the level of confidentiality that the Participants had been led to expect. I therefore wrote to each of the Participants setting out what I wanted to do, and why, and each kindly gave their consent.

Participant Class	Code
Staff	SP
Manager	MP
Leadership Candidate	LC
Professional	PP
Owner	OP

Fig. 15: Participant Codes

4.5   FINDINGS BY DRIVER TYPE

As with earlier chapters, I summarised my findings and analysis of the conversations by Resource-Based Driver areas (Barney, 1991).

Tangible-Resource Drivers
Capital
Intangible-Resource Drivers
Succession Planning
Successor Selection
Performance Management
Governance
Strategy
Human-Resource Drivers
Stakeholder Salience
Founder-Successor Issues
Successor Development
Managing Commitment

Fig. 16: Resource-Based Driver Areas

4.5.1 Tangible-Resource Drivers

4.5.1.1 Capital

Issues of capital within the literature were typically as a consequence of other events, such as whether there was an accompanying ownership transition (De Massis et al., 2008), increased costs (Blanco-Mazagatos et al., 2007), loss of clients (De Massis et al., 2008), reduced access to debt (Smith & Amoako-Adu, 1999), or supplier issues (Anderson et al., 2003).

In HC-Co's case, we were going through a partial ownership transition, but in such a way that there was no change to the capital structure; the employees were earning their share through working harder and smarter. There were increased costs, such as in developing the Leadership Candidates, and would be future legal costs, but these were also relatively known quantities, and whilst they were Drivers, I did not feel they would benefit from exploration with the Participants. However, this was not the case if we were to lose clients, access to debt, or supplier credit, but I took the view that these were primarily relationship issues, and therefore addressed them under the section on Human-Resource Drivers.

4.5.2 Intangible-Resource Drivers

4.5.2.1 Succession Planning

4.5.2.1.1 PLANNING FAILURES, FIRM VS FAMILY OBJECTIVES & GENERAL RISKS

Failing to plan, conflicts between firm and family objectives, and risks were frequent themes in the literature, but I was not surprised that they were not raised by the Participants. After all, this whole thesis could be broadly seen as an exercise in how to plan our own leadership succession, and there were no family to consider. However, successor selection was a different matter.

4.5.2.2 Successor Selection

Selection of the future leader or leaders also received many comments from the Participants and within the literature review.

4.5.2.2.1 SELECTION CRITERIA

In regard to what the selection should be based on, the Participants suggested a mix of capabilities and characteristics.

> "...you want someone to actually have the vision to be the managing director, ...to actually drive it from the operational side, ...someone with the finance skill, ...a managing director [who] effectively runs the business and makes sure that that they keep pushing the strategy." PP

> "Quick thinking. Resolving problems. Just really acting fast ..., walk the walk but talk the talk as well, get things sorted." MP

> "...strong administrative skills, ...a good leader, ...a strong character, which I think all three of us are in our own ways, and ...work together, and I think we do work together very well." LC

Amongst others, they saw the successor as needing vision, decision making and problem-solving skills, combined with leadership qualities. A further observation by a Participant, which came from a different angle, was in regard to gravitas; the quality that leads others to take you seriously, which would be important for any successor. This was therefore added to the growing list of desirable successor attributes.

> "I think one thing that [the owners] bring... to the Company is... gravitas. [Its] something that's quite hard to define but it's definitely... a gap that needs to be... filled" OP

The Participants had a good idea of what the successor should look like in terms of qualities and capabilities and considered this did not need further investigation with the Participants as a Driver.

4.5.2.2.2 SELECTION DECISION

However, what had not come up was who should make the selection choice, which both Ward (2004) and De Massis et al. (2008) had highlighted could be problematic if done by the founder. I therefore explored this in the second iteration. When this issue was put to them in the second iteration, the Participants were supportive that my wife and I should make the decision.

> "…I know you both well enough to think… you'd make that decision. I don't think you would make a bad decision. I don't think you would certainly make a decision based on emotions or how long you've known me or anyone else." LC

> "I can't see the decision ever sitting outside of yourself and [your wife's] door, Nick. I don't necessarily think a panel-based approach would be best for your business. I think, ultimately, the way that you approach situations and tasks… is more than independent in that regard." PP

> "I would say that you are good at making choices and you don't make choices light-heartedly… You know, you seem to have a plan." SP

On the face of it, there seemed to be strong support for my wife and me making the decisions in regard to who our successors should be. I believed the Participants were being sincere in their comments, but I recognised 'speaking truth to power' was not easy. I was also aware that the insider Participants' opinion might be influenced by the fact that everyone seemed happy with the direction of the founder-leadership succession personally, and any change in how decisions were made might change that direction. It could also open up the possibility of an outsider being selected with the considerable consequences that might bring for lost promotion opportunities and cultural clashes. I therefore felt this was a Driver that should be considered further in the third iteration.

I therefore asked the Participants whether they felt able to disagree with my wife and me, and their response was conditional.

> "I think it just depends on what it was. [For example] if we knew that [the] investment was [not] sound, … then we would obviously say to you no. I wouldn't have a problem with that." LC

> "I'll go home and I'll think about it for two days and scratch and itch and think oh no can't tell Nick that because I don't think I have that skill set." LC

"So going back to someone who, like you…, [was doing] a doctorate … I wouldn't feel I could go back and say [anything]…, thinking that you must know what you're doing, kind of. Trusting that you know what you're doing." [MP]

"…we lack that confidence. We highly rely on you and we highly rely on your succession plan... But yes, we do have in the back of our mind that you know what you're doing." [LC]

Both managers and Leadership Candidates seemed happy to challenge my wife on me in regard to subjects were they felt confident, but not in areas where they felt they lacked knowledge, such as appointing the successor. This therefore remained a significant Driver to monitor.

4.5.2.2.3 INSIDER VS OUTSIDER

Another issue that had been hinted at in the first iteration was whether an outsider was acceptable. I was not surprised that there was a general presumption that the successor would be an insider as we were actively developing the Leadership Candidates to this end, but there was also a comment that an outsider might be a problem.

"I think for my manager I don't think she could deal with an outsider (laughter) I hope she's not listening out here." [MP]

"There's always opportunities and then, I suppose, for example if I moved to head of home they'd be the chance for someone else to become assistant." [MP]

Carroll (1984) noted that outsider leadership candidates were not always welcome due to their tendency to disrupt, and would also get in the way of the promotion opportunities that would accompany an insider being appointed to the leadership role. I also wondered if it was a CAS type 'signal' (Holland, 2012) not to appoint an outsider. This therefore seemed an important Driver in need of further exploration with the Participants.

However, when we started to discuss the question of outsider successors in the second iteration, the responses surprised me. The key message that was coming from all the internal Participants was effectively, 'of course the Leadership Candidates were going to be trained and promoted to be the new leaders; it's what we do'. HC-Co had a policy of promoting internally wherever possible, with twelve of the current fourteen managers all 'coming through the ranks'. The Participants were all clearly presuming this would hold true for the future leadership roles too.

"But we've… always been quite keen to promote in-house, so then to get someone in, to then train that person, to get them out again." [MP]

"...I think giving all three the possibility and chance, and I don't see why any of them would fail and wouldn't be able to do the roles that they've been assigned to do. I think that's important cause… it's always been an ethos that we have in-house promotions..." MP

The Participants also saw HC-Co as having a strong culture which outsiders might struggle to catch up with.

"I think we strongly have developed a style in [HC-Co] that we have an ethos of working, we have a very clear message, and sometimes, people from outside might find it very difficult to work with that. They would like to change it. Whereas, this style is now embedded in us." LC

However, others also seemed to feel threatened by the idea of an outsider.

"If someone was to come into the company that hadn't been here for, say a maximum of a year to get used to people, get used to clients, get used to the business, I think for staff, management and clients, it wouldn't feel comfortable because you don't know how that person is." SP

"I think there's a lot of risks with an outsider, aren't there? As to whether they're gonna have their own vision of how [HC-Co] should look and that would be different to yours and [your wife's]… values and ideas. I think that would potentially have been quite a big risk." SP

This seemed to be an example of where the Company's culture was exaggerating the power of an outsider as a Driver, but in a negative way, and which I therefore wanted to explore further.

The Participants' view in the third iteration was that, in part, the opportunity for promotion was recognised as an issue, but not solely for reasons of self-interest. It was seen as being good management as, by giving people the opportunity to progress, they would be more motivated, it would attract ambitious new employees, and which would in turn fuel the progress of the Company as a whole.

"I just think promoting internally offers… other staff [the opportunity] to go up the ladder, if they're able to do the job." LC

"I think you always should look internally first." LC

However, culture was clearly part of the reason too. The Participants recognised there were circumstances where an outsider successor would be sensible, such as when there was no suitable insider successor, but they did identify a number of problems with going this route. Primarily, in order for people to accept an outsider, they would want to see that the Company had been true to its principle of trying to promote an insider, and that people

understood and agreed with the reasons this was not possible. However, there was also a sense that an outsider could not simply walk in and take over the next day. HC-Co was seen as having a strong and positive culture that any outsider successor would need to understand first, which would take time, before being in a position to be accepted and lead.

> "if I didn't feel comfortable doing the job... then having someone come in to do what you and [your wife] do then I wouldn't have a problem with it." LC

> "...we've always been having [internally promoted] managers, and it would be something new. But it wouldn't be... a big issue. It would be a process that we'd have to understand and plan it well, train, and so on. LC

> "I don't think it's about them being tolerated it just takes them a bit longer to build a relationship with everyone because you don't know them." MP

> "I think you'd have to sit everyone down and tell everyone why you were bringing in an outside candidate. I think if you just got somebody and put them [in place] ...everyone's backs would be up a bit." LC

4.5.2.3 Performance Management

In regard to performance management, which Rothwell (2015) had focused on, a couple of issues came up, but not to such an extent that they seemed to be Drivers that required further investigation.

4.5.2.3.1 TASK COMPLETION

For example, the fact that only one comment was made in regard to task completion might suggest that this was not of major concern to the Participants, and nor was it raised as an issue in the literature review.

> "Making sure that all tasks that are started are finished." MP

4.5.2.3.2 POLICIES AND PROCEDURES

However, an issue that the Participants saw as more important, but not to a great extent, was following policies and procedures, which was not picked up on in the literature review.

> "Just to make sure everything is followed properly and do what the procedures say." MP

> "CQC, obviously, you know we'll continue to run the homes as they should be, making sure all procedures and policies and everything are up to date, and that we're following all regulations, like you do now." LC

4.5.2.4 Governance

An issue that did not come up in the first iteration was governance (Hillier & McColgan, 2009), which did not surprise me as this fell firmly in mine and my wife's current domains. I therefore raised it as an issue in the second iteration, and in particular how it typically changed at the time of a founder-leadership succession.

The general response was that, yes, governance was changing but, as with other issues, the presumption was that there would be a fair plan to address any changes.

> "I think at the moment; we're still doing the best thing. I think with employee ownership, and even with the employee reps, you're telling the employee reps what your concerns are, and they have those meetings so they're aware of what to reply back to the staff, and it's always trying to find different ways to increase the company at the end of the day." [SP]

> "I think everything will be thought through, it will have its own time to happen, and it will be considered. I don't think that would be a huge risk to us..." [LC]

One Participant raised the prospect that any conflicts may not be solely internal.

> "Actually, you may want to now take more money out the business to finance your lifestyle that maybe in direct conflict with that of the arrangements that have been left with third parties such as banks. I've certainly seen that be a conflict as well. Loans having to be renegotiated and restructured as a result of that to keep all parties happy really, which is a test in itself." [PP]

Whilst this has been raised as a governance issue, it seemed to me it was more of a commitment issue, and I therefore explored it further in that section.

4.5.2.5 Strategy

Strategy was another issue that did not come up in the first iteration but, it seemed to me, was a potentially important Driver given that the leader's chief responsibility in any company was delivering that organisation's strategy. I therefore explored this further in iteration two.

The responses were along similar lines to the governance issue; people recognised it existed, but understood it was part of the plan. From my wife and outsider Participants, there was also a recognition of the importance of this as an issue.

> "I think that is a fundamental of succession. It's got to start far sooner than what you probably think it should do. I think that's a big slipping point for many companies that I've dealt with and deal with today. It's still not a conversation that is had maybe as open and honestly with other shareholders or members of the management team that they should do..." [PP]

> "The strategy is something that should be under constant review. It should be something that's probably considered by the directors at least annually." [PP]

> "I'm not surprised on that. I think... you've particularly recognised that it is an important function and probably the most important skill that you have brought to the company, your ability to think strategically. And so, we talk of that handing over tasks and handing over knowledge, handing over that ability to think strategically or initially recognising the importance that somebody needs to think strategically is vital." [OP]

There was also a recognition of its importance amongst internal Participants, although there was some confusion as to the precise meaning of strategy.

> "It's something that you've got people to work with you. You make plan, you develop different positions, you develop different strategies, you plan how things would look like, you get people on board. Yeah, it is important." [LC]

> "I think having the correct strategy, yes. ...you... have to have some sort of strategy to get someone prepared for a role. If there is no strategy, and you just throw them in the deep end, that's potential to hurt our company." [SP]

> "...it's gonna be the CEO's job to make sure that everything is being implemented, make sure that every service is running properly with the right plans, and also to grow the company." [LC]

4.5.3 Human-Resource Drivers

In regard to human resource drivers, the starting point was to understand who had salience over the process, and what had to happen in order to prepare them for, and ensure they remained committed to the succession process.

4.5.3.1 Stakeholder Salience

The issue of stakeholder salience, who had it, and who did not, was a recurring theme in the literature review, and which also came up in the first iteration with the Participants.

4.5.3.1.1 EMPLOYEE SALIENCE

Another issue I wanted to consider further was staff salience. This was identified by a number of the Participants in the first iteration, but not in the literature, and I therefore wanted to explore this further in the second iteration.

Their importance seemed obvious to me as they were better informed and better connected than our clients, and were used to sharing their opinions and having them listened to. It was not hard for me to imagine that, if they had genuine concerns in regard

to a new leader, they could make their lives very difficult; although the opposite was also true. On the whole, the Participants agreed with me.

> "They are a key Driver because if staff absolutely refused to listen to somebody who has been appointed… then there's a problem that can't be brushed under the carpet." [OP]

> "…unless you've got complete staff buy-in across the board…all it takes again is for a disgruntled member of staff to make a whistle-blowing call, or… a complaint etc..." [PP]

However, most Participants also thought it unlikely they would use their salience to work against the succession because of their degree of involvement with the process, and that founder-leadership succession options were explored with everyone before decisions were made.

> "I think they are key to it. Especially now we're doing employee ownership, where we involve the staff. I think if the staff were more involved in the running of the home, you get better results." [LC]

> "You can always have people that think, "Well, I don't think this is going to be a good idea," and they have a negative attitude of things. But I think the majority have a positive attitude and agree with how things are progressing. I think that outweighs the bad." [MP]

However, this issue of whether the employees would use their salience and under what circumstances seemed a potentially important Driver, which I therefore explored further in the third iteration.

Most of the Participants were of the opinion that the staff were key stakeholders able to significantly influence the founder-leadership succession. To date they had been largely supportive, but it seemed to me to be important to understand what issues might influence them to withdraw their support to understand how important a Driver this was.

4.5.3.1.2 CLIENT SALIENCE

Similarly, clients had not been identified in the literature as key stakeholders. A number of Participants had underlined in iteration-one the importance of our clients, but the literature review had not identified them as being key stakeholders either. Clearly HC-Co had a moral duty to its clients, but did this mean they were key stakeholders?

Some felt their significance was solely as an interested party to be consulted and kept informed.

"If they came back and said… they felt that they couldn't trust whoever you were having or they had a real problem, I think that would be quite [an] isolated view of maybe one client... I don't think that they would be a key stakeholder in that decision." MP

Others felt they could cause problems to the process by leaving, but that their power was limited.

"I don't think they're powerless, but if they had opinion, family members… could make the decision that, "I don't want my… relatives to be living in one of your homes or have your home care service [because] I don't agree". I don't think either they're powerless or the fact that they have full say." MP

Whereas others felt they would not have to leave to cause problems as they could impact our reputation by complaining to regulators, or the press, thereby deterring potential clients.

"…they can have a huge impact... because they're fundamentally your marketing. …it's not just the individuals staying with yourself, it's the family unit that surround that. …word of mouth, reputation is obviously fundamental to a business such as yours." PP

Whilst identifying who was and was not a key stakeholder in the process, another area identified in the literature was communications.

4.5.3.2 Founder-Successor Issues

Whilst the relationship between the founder and successor was focused on in the literature, the Participants highlighted a number of Drivers that were either touched on lightly in the literature, or not at all.

4.5.3.2.1 LETTING GO

A key aspect of this, which was hinted at by the Participants in the first iteration, was whether I, or my wife, might become back-seat drivers, which I therefore wanted to explore in iteration two. Whilst none of the Participants felt this was an issue, citing a number of reasons why they believed this, I was concerned as to whether they might be saying what they felt I wanted to hear.

"At the moment, how I see it is that I need you to step in and I need you to be guiding and holding our hand." LC

"I still think you should always be in the loop… you're still someone that I could still turn to…" SP

Some Participants thought we would be there until such time as the new leadership team were ready, and then step back.

> "I think the way that you've structured it is textbook in… exposing people and developing people in sort of bite sized chunks. Rather than… them the overwhelming responsibilities of running the company flat out on their own. You're exposing them to different areas and therefore they're developing their skillsets to the point where they feel confident enough to take it and run with it." PP

Others cited our current way of interacting with the management team as evidence that we would fully step back when the time was right.

> "I've only known it with you guys taking more of a back seat and giving more of the responsibility to the managerial team." MP

> "I think knowing you two, probably not. Because you're quite perceptive on the fact that you've got to let go to make it work. Other people, yes. Because they'll have very firm views on how it should go forward. I think you'll probably let people make their mistakes and then perhaps guide them afterwards where they can improve, rather than try and jump in and constantly change them." PP

As the time for stepping back would be after the research for this thesis was finished, there was little point exploring it further with the Participants, and I therefore marked it as a Driver to monitor as the leadership succession progressed.

4.5.3.2.2 DELEGATING

However, a more immediate issue was whether we were able to effectively delegate (Handler & Kram, 1988), which was seen as a key part of developing our successor. The literature review observed that founders were often perfectionists who find it hard to delegate tasks if they believed they would not be completed to their own high standards. The feedback from the Participants was mixed.

My wife recognised that, in certain circumstances, she found it hard to delegate when it meant standards would drop.

> "I recognize that it's a risk… accounts, management accounts, are done in a very specific way, and very exact… I don't want it ever to be different to that. I think… the way to make sure that that is not an issue is to bring on people very much… in the same mould." OP

However, her concern was generally not reflected in the feedback from other Participants in regard to either of us.

Founder Leadership Succession in Family-Owned SME's: A Case of HC-Co – Submitted 12th April 2019
Findings - Page 73 of 161

"From the experience and from what I did in the past, I think you have been very good in that, and you identify roles very well. They are very carefully thought through, usually. It's always backed up with evidence and with people's strengths and abilities. I don't see this being an issue in the future." LC

"No, I think what we're doing at the moment is… still a safety net. I think you're allowing… things to fall into place. If it is wrong, you're offering guidance and saying, "Actually, this is how I would do it, but I'm excited to see how the end result's going to be for you," if that makes sense." SP

"Going back, I would have said yes, but not so much now because I think you are delegating. You do critique, which… will ultimately bring us up to your standards… Because, when you're critiquing, we're learning." LC

"… I know it's your company, so you're gonna want some perfection, but… you've never given me a task, if I haven't carried it out, said, "Right, well you're not doing that anymore." You've shown me a way to grow in it, or helped me to grow in it, so I wouldn't say that, that's happened to me personally, nor to anyone else I work with here." MP

"I don't think it is. 'Cause you're always telling me about delegating,… and I think you would let people move forward with it. But again, but maybe just a watchful eye that everybody's doing what they should be doing, depending on what the tasks are." LC

This therefore seemed an issue to monitor rather than investigate further with the Participants.

4.5.3.2.3 WORKLOAD

A number of Participants raised concerns over the personal confidence of the Leadership Candidates because of workload and questioned whether they now had too much to do.

"I know it is a benefit to have people coming from different levels [but] maybe the task load might be a little bit too much on everybody involved..." MP

"...if they coming in as the new management are they going to be able to bring up the next layer of management?" PP

"[In regard to replacing the owners, the] managers have already more than full time jobs… So, I think we've got to be very aware of the time constraints that they have as well because… there comes a stage where if people are just doing more… things that, other things are going to slip off the radar." OP

A further issue relating to workload was whether there was a lack of perspective because the Leadership Candidates were too involved in day-to-day responsibilities.

> "... [the owners are] able sometimes to give a different perspective because [they] are one step removed. [The managers] can sometimes be too close to a problem. [The owners] can see a way through it whereas because [they] were one step removed, sometimes it's easier for [them] to instantly see a solution." OP

My wife and I reflected on these comments, which were issues we had been ruminating on already, and which led to a change of responsibilities amongst the Leadership Candidate's. When the issue of workload came up in the second iteration I therefore expected that the Participants' views may have changed, which was largely what I found.

> "… I think… at the time when we did the first round of questions… [we] had… the Leadership Candidates… in full time roles heading up a division each. So… anything else that we were asking them to do fell in extra time." OP

> "My thinking is slightly different now, because my workload has been taken away from me, and I can focus on different stuff." LC

However, other Participants thought there might still be an issue.

> "I still think it could be an issue, because of… the workload here. I think [Leadership Candidate name] struggles to do her other roles because of having to do the stuff here." SP

As a Driver of founder-leadership succession, it seemed to me that the issue of workload was largely addressed, and what remained was that one Leadership Candidate needed to brush up on her time-management skills. This issue was therefore not raised in the final iteration.

4.5.3.2.4 INTIMIDATION

Whilst people therefore thought we could delegate, there was one word of warning on another Driver from a professional Participants who raised the possibility of my experience and logical approach intimidating others, which I pick up on in the discussion chapter.

> "…you're a very experienced and logical director of the company. Some people may find that somewhat intimidating… but your personality type, I wouldn't say [you're] somebody that is overbearing in that regard…" PP

4.5.3.2.5 OVER DEPENDENCE

There had also been indications that the insider Participants were putting great faith in my wife's and my planning towards the founder-leadership succession, but also that they may

be reluctant to challenge us. I therefore wanted to explore in the third iteration if this was indicative of an over-dependence on us too.

Some of the Participants felt they would be ready and willing to speak up if they disagreed with a viewpoint we stated. This was my personal experience from various management meetings, but this also tended to be in regard to subject matters they had some expertise in, i.e. the running of their services, which was supported.

> "Yeah. I would, if I didn't agree completely, yeah I feel I would. Definitely." MP

> "I think it just depends on what it was. …if we had any... something that we were invested in, and… you wanted a pay raise, [and] we knew that investment was sound,… we would obviously say to you no. I wouldn't have a problem with that." LC

> "We've been working long enough for the company that you can actually read our body language, well enough to say, "well actually [name], you know, she's not comfortable with that and now we'll investigate further." LC

However, I therefore felt uncertain they would on matters they felt less confident of their knowledge in, such as the founder-leadership succession. The Participants' feedback supported this, partially because I had researched the subject and came up with the plan, but also because I was studying for a doctorate.

> "…going back to someone who [was studying] a doctorate, which [is] something that would blow my mind,… I wouldn't feel I couldn't go back and say… thinking that you must know what you're doing... Trusting that you know what you're doing. You do know what you're doing." MP

> "We highly rely on you and we highly rely on your succession plan... we analyse [and] we obviously have our own discussions… [in] our executive meetings. But yes, we do have in the back of our mind that you know what you're doing." LC

> "We solely still rely on you and [your wife] for… going forward. Well not going forward, but at the moment we still do rely solely on you and [your wife] and your plan." MP

This seemed an important Driver to me as the key focus of the thesis was on transferring power from myself as the founder to whomever my successor would be, which would be hard to achieve if he or she remained dependent on me.

4.5.3.2.6 TRANSFER OF POWER

The issue of over dependence also had implications for the transfer of power, which was brought up in the first iteration and the literature review. Churchill and Hatten (1987) and

Handler (1990) favoured a gradual transition, whilst (Cadieux, 2007) focused on the importance of good communications between founder and successor. The Participants agreed.

> "It's a smooth transition. It's not quick and abrupt and rough. It's taking its time and so that you know everything, and you've executed it." SP

> "I think to really make sure that everything is being handed over correctly." MP

> "I feel even longer would be better. I think as a starting point, six months to a year is a good frame to know if you're succeeding or that you need more time for certain areas." SP

> "To decide today and then step back, perhaps do a rerun to make sure you and [your wife] are happy with how its run, and just to make sure everything is really in place and the ones that are leading know exactly what they are dealing with." MP

Two further Drivers not raised by the Participants were what strategies the successor should follow, and the timing of the succession. The Participants had underlined the importance of a smooth transition, but it seemed to me that how to achieve this remained a Driver that needed to be addressed.

4.5.3.3 Successor Development

The importance of correctly developing any successor was recognised in both the literature and by the Participants too.

4.5.3.3.1 CAPABILITIES DEVELOPMENT

For example, whilst founders typically have problems saying what they do, the Participants were more forthcoming, including identifying the need for selection criteria, and the importance of preparation too.

> "Not just abruptly going into a new position. It's going into it slowly, so you're taking piece by piece. It's not just plopped in front of you and you've got to get on with it. It's a slow transition." SP

> "They need… training, [they] can't just be… thrown in at the deep end…" MP

The means of developing the successor was also picked up.

4.5.3.3.2 EXPERIENCE

Related to capabilities was whether the successor had appropriate experience. Longenecker & Schoen (1978) addressed the issue of inducting successors into the company as part of a long-term plan to prepare them to take over, but this was not an issue

picked up on by the Participants. However, as we were actively developing the Leadership Candidates experience towards taking over the leadership of the Company, I felt this was not an area that would benefit from further exploration with the Participants at this stage. However, how to transfer knowledge was focused on.

4.5.3.3.3 TRANSFERRING KNOWLEDGE

As a means to ensure that experience translated into appropriate capabilities and skills, Motwani et al.'s (2006) focused on mentoring, which was a method also focused on by the Participants.

> "I suppose that you… will still have to have input… you'll still be around…, it's not like you'd be passing it on and then we'd never be seen." [MP]

> "…they're probably going to need a lot of training, a lot of guidance." [MP]

> "I suppose the coaching side of it, making sure that we're… coached…" [LC]

They also focused more specifically on transferring knowledge.

> "...skills from the point of your understanding the needs of our clients and the people that we work with and then also being able to move a business forward as well I suppose." [SP]

> "...they all need good computer skills, the all need good literacy skills, and they all need a basic level of financial skills." [OP]

However, their focus was on transferring knowledge about explicit skills and capabilities, whereas the question of transferring tacit knowledge (Cabrera-Suarez et al., 2001) was not. Given the importance of the successor being ready to take over and the possible consequences of them not being ready, I felt this area warranted further exploration with the Participants in the next iteration, when there was a general recognition that this was important.

> "If you see someone making the same mistake that you've made before and you know how to deal with it, then imparting the knowledge that you know how to deal with this, and they don't have to make the same mistake that you did." [MP]

> "…that would be a natural assumption to make, that the founder would be passing on their knowledge to their successors in any shape and form that they possibly could do." [PP]

There was also acknowledgment that it was happening.

> "I think you definitely are achieving this… I think the other side to this is, the successor asking for the experience, asking for the advice, asking for that knowledge." [LC]

4.5.3.3.4 TEAMWORK

Teamwork was focused on by six of the Participants. For example, comments referring to the future leadership team suggested to me there may be concerns as to their ability to work together.

> "So long as… everybody is 100% in the process and gives 100% and… as long as the business is still making a profit… then we can see that it's working, and people are happy with it as well and feel supported in the roles…" [MP]

> "They have to see through differences… they've all got different work ethics, but they all need to… plough through and make it work." [MP]

> "And then I suppose [the] management team, just making sure that they have… the right team around them, whether it's inside or out support." [SP]

> "I suppose for your side it will be all the executives being on board, all working as a team, they've all got to… liaise with one another…, have good working relationships with one another to make it work." [MP]

A further two issues raised were consistent with risk types identified by De Massis et al (2008): not reaching consensus, and; a lack of trust or commitment.

> "What might go wrong is not working as a team. Things like not communicating. Not being honest. Not that anyone lies but people acknowledging their strengths and weaknesses." [SP]

> "Three, three of them getting on board, so if one of them, you know, you don't want one person to be carrying the other two, you know, they all have to realise that, as a team, it's a lot more to take it on and work together…" [MP]

Considering these were the type of issues raised by Sharma et al. (2003) that could lead to the failure of HC-Co, I concluded they needed to be taken seriously as Drivers and explored further in the second iteration.

At this time, the Leadership Candidates spoke of starting the leadership transition process well, but then having some difficulties before returning to a strong sense of team again. They put this intermediate period down to a lack of role clarity combined with strong personalities learning to work together, but felt that any disagreements always remained within reasonable bounds.

> "I think if it comes to teamwork on a higher level, you have a number of very strong individuals and every one of them knows something better than the other." [LC]

"At the beginning we worked really, really well… It's just coming back. But I think there was a lack of clarity." LC

"No, we weren't… gelling very well at one point. There was a lot of backlash. I think now we're moving forward. I think the hardest thing… is knowing exactly what your job role is, and exactly what you're supposed to be doing." LC

However, from the perspective of the other Participants, any disagreements were not obvious.

"Yeah, definitely. [A] prime example [is] the fun shops. They worked marvellous together. It was a really good success. They really made it work, and I think that showed the staff, "Oh wow, they can come together." Although they're from different sectors, they have worked together. Yeah, I definitely think they portray it like they're working really well together." SP

"It's better to talk to people face-to-face. I do think in terms of them doing things together, they are doing well. There's more communication. There's a lot more… with them getting together physically is good." MP

The above comments indicated to me that this was an issue to monitor rather than investigate further.

4.5.3.4 Managing Commitment
In this regard, there were a number a number of aspects to this.

4.5.3.4.1 PROCESS COMMUNICATIONS

There were a number of areas relating to communication that the Participants could have picked up on, such as communications between team players or key stakeholders in regard to operational issues. They instead focused on a specific area of stakeholder communication; keeping people advised of the founder-leadership succession on an ongoing basis, an issue also picked up by Motwani et al's (2006).

"We need to consider all the other staff members, and support they are going to…, give, and any promotion and extra workload that they might get, but also we need to consider the residents and their families…" MP

"...we need to consider the residents and their families…, it won't obviously affect them directly but anything that happens does affect them as a whole, so it needs to be done..." MP

"A lot of your image is based on reputation, word of mouth recommendation, so ensuring that the residents and, I suppose, potential future residents and their families are aware of the changes that are going on..." PP

> "We need to obviously consider all the stakeholders…, our staff, our clients, our clients' families, and any external stakeholders, obviously the bank, primarily the bank I guess, the accountants as well." [OP]

The groups they selected largely mirrored who the Participants considered to be key stakeholders (clients, families and staff), but the issue of timing picked up in the literature review also seemed important. I therefore planned to explore this Driver further with the Participants in the second iteration, and particularly who should be told what and when.

The discussion focused on two groups: clients and staff. The consensus was that both groups should be kept informed but that far more consultation should happen with the staff, who were in a substantially better position to give informed opinions. Whereas, whilst everybody felt that our clients should be kept informed, they also recognised that to share too-much information too-quickly could be concerning to them if it led to uncertainty. This was similar to the conclusion I reached earlier when a Participant had pointed out clients would find out about the founder-leadership succession anyway.

> "I think families should be kept informed of what's going on. I don't know about everything that goes on, but definitely about the way the home runs." [LC]

> "I think they have varying needs. …you might give out the same piece of… but it might… be relayed in a slightly different way depending on if it was staff or clients…" [SP]

4.5.3.4.2   PERCEIVED FAIRNESS

From the literature review there were three key aspects to perceived fairness, whether the stakeholders had clarity as to their roles, whether they found them to be acceptable, and how they would react if they didn't, each of which were discussed with the Participants.

.1   Role Clarity

The Participants felt it was important for people to have their own territory, not only for reasons of satisfaction, but to prevent conflict also.

> "… making sure that we've got somebody to take over a specific role and doing that ahead of time… because I'm very mindful that we do… always sort of leave things to the last minutes. So just making sure we're planning ahead, and everybody's kept in the loop." [LC]

Although only commented on by one Participant, roles had been an issue discussed extensively with the Leadership Candidates, and this comment indicated to me that it remained a Driver.

.2   Role Acceptance

Role acceptance also seemed to resonate with one Participant in particular, who made a number of separate comments that there needed to be clarity as to who was doing what.

> "… everybody needs, depending on how many leaders there are, …to know where they're going. Like what their focus is or what their goals are." [SP]

> "[The successor needs to know] what the goals look like… who does that involve, so …everybody knows. And… breaking things down into smaller goals so you each feel like you're achieving…." [SP]

On reflection, I did wonder if these two comments were primarily driven by a perceived need for clear goals, or as a suggested remedy for this same Participant's concerns in regard to trust. Either way, the importance of goals was supported in the literature review, and therefore reflected in the succession plan.

.3   Playing Games

However, if a stakeholder did not feel they were not being properly recognised, some of the literature suggested that playing games could be a consequence (Michael-Tsabari and Weiss, 2015; Blumentritt et al., 2012), but few related to non-family successions. This was not brought up by the Participants in the first iterations, and I therefore wanted to explore in the second iteration whether the family examples in the literature might be indicative of Drivers for HC-Co.

A number of the Participants thought the behaviour of family members in other family-owned companies could be expected by people working for non-family-owned companies too.

> "Absolutely. …[A] family is just a subset of people with a close relationship. Colleagues can be the same, friends can be the same. I think, in this context, yes there's a lot of research on family owned companies and families maybe will be harsher on each other than other groups of peers, but I don't think it's exclusive at all." [OP]

After some initial confusion over the meaning of family members (a significant minority of HC-Co staff members were related in some way to another), all the internal Participants felt that games were not being played.

> "No, I don't think so. I haven't noticed that in this company, no. In terms of that, what you just said. No." [LC]

> "I don't think the family issue comes into it with that. We're all supporting each other." [SP]

Another Participant drew attention to the fact that there was far more history with family members who worked together, having known each other from birth and regularly seeing

each other in and outside of work. Their conclusion was that this extra 'baggage' meant that the examples in the literature review were probably only of limited relevance, although another felt they saw frequent evidence of games-playing in another non-family company known to them, suggesting the research may have relevance.

> "So, I wouldn't say to… necessarily disregard it, but I wouldn't have thought that… the different dynamics that come with family businesses… necessarily… apply to your business. …the psychological relationships that you may have with different family members are completely different to those that you would have with employees and the management team." [PP]

> "I would say… the games are still there. The level of the game and how you want to play it and whether you are a political game player… or whether you just like to actually get on with a job. So yes. The games are there. So, you can expect them of some sort because you're dealing with people." [PP]

In regard to playing games, I had always thought of our Company as being more apolitical than most but recognised that the view from the top was not always the clearest in this regard. If people were playing games to achieve their ends, they would clearly want to hide their means from us. When the literature review revealed some of the games that family members in other companies played, I felt it was an important Driver to explore for two reasons: to consider whether the experiences of family employees in other companies were relevant to HC-Co, which had no employees related to myself or my wife, and; if this experience was relevant, were similar games being played in the Company or was there the potential for them in future. I therefore explored this in the third iteration.

A number of the Participants felt playing games was unlikely in the future as they saw not doing so as being part of the Company culture.

> "…I strongly believe this is part of our company's culture. I think for the last couple of… years… you kind of faded off, and we feel… we are able to communicate… between us, make decisions, we present them to you, and they are very clear." [LC]

> "I think that's true. Especially considering the service we provide. We have to be open and transparent and caring and you [wouldn't] be very successful being in it just for themselves because we're not just providing any old service. It's for people." [MP]

However, they also felt that this did not mean there was an absence of conflict, but that it was focused on promoting the Company rather than personal interests.

> "We actually argue quite a lot. We bring issues that bother me, or [person 1], or [person 2], and we work on them and we find a solution. And very often... as a part of our meeting... we discovered how... we deal with that." [LC]

4.5.3.4.3 SATISFACTION

Related to perceived fairness was satisfaction, with Handler (1989) and (Morris et al., 1997) focusing on process satisfaction and post-succession performance, whilst Tagiuri and Davis (1992) believed the perception of fairness was paramount. The Participants' views were more pragmatic.

> "... everybody needs to know where they're going." [SP]

> "... you just need to be up front and perhaps a newsletter, email, and tell them exactly things are moving, gradually, like do it over every three months." [MP]

Whereas others were more outcome focused.

> "...the Company continues to hit financial targets, its occupancy is high, hours are growing on homecare, staff are happy, staff retention's good, client feedback is good. Basically, they're all KPI's that we monitor are good and positive." [OP]

4.5.3.4.4 FOUNDER COMMITMENT

One key person whose commitment was essential was the founder, without which a succession was unlikely to happen (Handler and Kram, 1988). The Participants picked up on this from a number of different aspects.

.1 Process Commitment

In iteration one, they identified the importance of the founder being committed to the succession process.

> "I suppose you need to be comfortable with the process, it's your company. You have to have a lot of belief in it I suppose." [MP]

> "Making sure you and [your wife] are ok with it..." [LC]

> "...unless they have the buy in... and the confidence of the existing owners then any introduction of new ideas... are never really going to be fully embedded or taken on board..." [PP]

However, the number of comments was considerably less than for some of the other issues, and I therefore felt this justified further consideration in iteration two to explore why.

Interestingly, they struggled to get to grips with the question about my wife's and my commitment, even after further explanation by me.

> "... I'm struggling to answer it because I think you two take a complete step back and not worry what's going on. Am I on the right tracks here?" LC

> "Yeah, so, I think I understand what you mean. So, the leaderships for the company, so you're the founder…" MP

> "So, the question around… how committed you are in terms of ensuring that this company's, well the succession plan is in place. Is that the place?" PP

My conclusion was that the question could have been better drafted, but it was also somewhat of a non-issue and confused the Participants because they felt our commitment was so obvious. I could also see how the question might have come across as a request for reassurance that my wife and I were still important.

> "…I think it is important that you and [your wife] are part of the process." LC

> "…I… think you'll still be important to the process. The whole process, even before we were talking about the leadership and the directors changing, you guys stepping back, you were still quite involved." MP

After further clarification they then seemed to be presuming there must be a deeper meaning to the question that had to be unearthed. I concluded that their responses to what, with hindsight, I considered was a poorly chosen question created more smoke than light.

However, whilst there seemed to be clarity in regard to our commitment, there was less so in regard to what it would take for us to let go, which was highlighted as a particular risk in the literature (Hoang and Gimeno, 2010; Cadieux, 2007).

I therefore needed to explore this but, before I could, I felt I had to understand my own thinking on this matter as the founder in regard to HC-Co's succession. I recognised that, for me, letting go meant having a 'safe pair of hands' to pass the leadership too but, as a Driver, this was rather vague. I recognised I was at risk of failing to set objective success criteria (De Massis et al., 2008), and therefore wanted to explore this issue with the Participants in the next iteration.

.2   Safe Pair of Hands

However, I recognised that this was a difficult issue to explore with the Participants because it specifically referred to my wife and me. It also involved asking the Participants to respond in a way that they could have been seen as critical of us, which they may be reluctant to do. I was therefore concerned it may be difficult to uncover their true views on the matter, although the professional Participants were more forthcoming.

> "...when you're trying to run a multi-million-pound organization and you're the sole person who has control over the bank account and the running of

the [company] you can give people titles and positions that sound senior and in power, actually the reality is how much influence and control do they actually have…" PP

"the main stumbling blocks I see in most organizations are where you have a very autocratic leadership style and the control element is not relinquished by the individual at the top of the company…" PP

Whilst the professionals were able to identify how we might stand in the way, conversely, all of the Participants had a clear idea as to what a safe pair of hands looked like, which was largely similar but with some exceptions. Pretty much everyone focused on the need for the successor to have adequate knowledge and experience, and a number also focused on personality traits.

"To me, the safe pair of hands… would be the person that shows confidence, is a good thinker, is a person who listens, is a person who can analyse, and look from all different aspects. It's also a person who is reliable." LC

"I would want to be comfortable in the knowledge that this person has… had a similar level of experience to that of yourself, knows the industry, has spent time in the business getting to know the people, getting to know the residents, and has a level of knowledge and expertise that is befitting that of somebody who run a business the size of yours." PP

Another factor bought up was how people felt about the successor, and particularly in regard to trust.

"So, the first thing would be trust, you have to trust them, definitely." MP

"First and foremost, I think it's somebody who has the trust of not only the senior management, but also employees below them as well." PP

A couple of Participants also focused on the need for the person to be able to look forward and think strategically.

"Someone that can take… a practical view and someone that's got the overall forward-looking ability as to where the business is going." PP

"I think where it becomes more difficult is… in [the] wider area of strategic thinking, of planning, and almost I see the biggest stumbling block is people having the confidence to dip their toe in the water…" OP

Whilst the founder's commitment was important, for the succession to be a success, there also had to be someone prepared to take over the leadership role.

4.5.3.4.5 SUCCESSOR COMMITMENT

There were only two comments in this regard, which was perhaps because, as with owner commitment, Participants were seeing this as a given. Each of the Participants, save for the professionals, worked with the Leadership Candidates and may have formed an opinion as to their commitment that meant further comment was unnecessary. However, rather than assume, I felt it would be sensible to test this assumption in the next phase. As with the founder and successor, the requirement for the commitment of all stakeholders was recognised by the Participants.

> "...they've got to be passionate, full-on committed, and really… 100% focused." MP

> "I think they obviously have to be committed and I think anyone who takes on the role would be committed to the role." MP

4.5.3.4.6 EMPLOYEE COMMITMENT

For example, there was a general consensus that the commitment of the staff was essential.

> "…all of the staff because… a lot of them don't like change and,… due to the nature of people that come into care,… they probably need a bit more understanding or a bit more support trying to get them to understand what it is we're trying or even how we're trying to move forward." SP

> "… as for the girls, they need to discuss that with their families and make sure it's not going to overrule their personal life,… I know your family always come first, [but] sometimes you have to put your work first." MP

> "I think the biggest thing is making sure that the staff feel confident in whatever succession plan comes up or is decided upon because ultimately they feel their jobs are at risk then a) they won't be performing and b) they could well be looking for other jobs." OP

In regard to a possible loss of staff commitment, one Leadership Candidate felt that a lack of confidence in the leadership was the most likely reason that staff might become disruptive to the founder-leadership succession.

> "…for example, [if] I make a serious mistake [that] would… lead… to a bad reputation…, that will then definitely burn… the confidence they have put [in] me." LC

However, there were also on specific issues raised that I feared could impact on employee commitment.

.1   Dividends

One of the Participants raised, in jest, the issue of my wife and I continuing to take money from the Company when we were no longer working.

> "At the moment, no, I don't think there's any issues with that. …**it depends how much money you want to fund your lifestyle while we're working hard**… I don't think it would be a challenge…" [Emphasis added] [MP]

I therefore brought this up in the focus group to see if this was a widely held concern, and which brought out another thought-provoking comment from one of the Participants.

> "'[Because] I don't think any of the staff would quite understand what would be the difference anyway. I'm being completely honest. I know they know about employee ownership… they've been taught on the certificates they've got, but I… don't think they all 100% get it still." [MP]

On the whole, the Participants felt this was an issue that was easily managed, principally because all the staff would be receiving payments as employees and shareholders themselves. If they understood why they were receiving dividends, it was not too much of a stretch for them to understand why we might continue to also. Any risk of them conflating the two payments would therefore be minimised. They also felt that the amount of any payments to us would also not be an issue as it would be pro rata to shareholding. They saw the real issue as being one of education.

> "…if it's not explained to everyone… that will be an issue of not understanding the process and not understanding what happens after. If we take it that way, yes. But I truly believe that if the whole process is clear and transparent… I don't think this should be a major issue. It's a natural way of running a business. And it is fair." [LC]

> "I think it's… like royalties. If someone writes a song… they obviously get paid for the song for the rest of their lives. Like you've started a company, you have put all your time and effort into it, this has been your life's work…" [MP]

The Participants also focused on three additional stakeholders whose commitment was essential.

4.5.3.4.7 CLIENT COMMITMENT

They focused on our clients, their families or both also. The nature of our business was such that the families of our clients often acted in loco parentis as the clients, due to reasons of age or capacity, often tended to defer to them. Some of the comments also focused on the high level of trust and dependence that existed between our clients and families on one part, and the Company on the other.

Founder Leadership Succession in Family-Owned SME's: A Case of HC-Co – Submitted 12th April 2019
Findings - Page 88 of 161

"the same goes for you know clients and their families, you know, they've got to (unclear) you know they're actually entrusting the care of their family members to a Company that's stable and is going to be there next week." [OP]

Other comments addressed the inevitability of the clients finding out because of their close interaction with carers.

"Obviously the clients because, although they're out there… the girls… will say stuff to the clients and that can also make them slightly unsure I think." [SP]

Whilst the above comment addressed the impossibility of keeping the leadership transition a secret, the comments below asked whether it was right to.

"I think the clients could do with knowing, they should all know. I don't think it should be kept secret." [MP]

"I mean residents and their families; I suppose that's one. They need to be involved." [MP]

4.5.3.4.8   BANK COMMITMENT

A number of Participants also focused on the bank as a key stakeholder whose commitment was essential, with one also focusing on other suppliers too, although showing less conviction than for employees and clients.

"The banks, maybe, I don't know." [LC]

"So that would be the parties such as ... the bank, your accountant, your suppliers…" [PP]

"...the main stakeholder being the bank. I think it's important that they see a continuity in the way that the Company's run." [OP]

4.5.3.4.9   OUTSIDER CONFIDENCE

A further issue raised by three of the Participants was loss of outsider confidence.

"You know, sort of remembering not to, you know it's someone's company, so you don't want a bad name, so you've got to keep professional, keep to the sort of standards you and [your wife] have." [MP]

"When there's a change of management at the top, I suppose, if banks are lending, yeah, they become very nervous." [PP]

"[If the owners] start fading away from the picture then I think there will, the danger is that there is, a gap will be perceived." [OP]

These all related to the confidence of third parties as important Drivers of founder-leadership succession.

4.6   FINDINGS CONCLUSIONS

Many of the conversations with the Participants were led by the Drivers identified in the literature review which I felt would be beneficial to explore with them, and which revealed a number of insights that had not occurred to me. For example, a possible over-dependence on me and issues in regard to teamwork. However, they also identified a number of new Drivers not focused on in the literature, such as the importance of employees as stakeholders. I reflected on these in more detail in the discussions chapter below.

5 DISCUSSION

Tangible-Resource Drivers		Pre-Succession	Succession	Post-Succession
Capital				
Dividend Policy		Action		Monitor
Ownership-Transition Drivers		Monitor		
Risk Appetite		Action		Monitor
Access to Debt		Action		Monitor
Intangible-Resource Drivers				
Succession Planning				
Planning Failures		Action	Monitor	
Firm vs Family Objectives		Monitor		
General Risks		Action	Monitor	
Successor Selection				
Selection Criteria		Action		
Selection Decision		Monitor		
Insider vs Outsider Successor		Monitor		
Performance Management				
Task Completion		Monitor		
Policies & Procedures		Monitor		
Key Performance Indicators		Action	Monitor	
Governance		Action	Monitor	
Strategy		Action	Monitor	
Human-Resource Drivers				
Stakeholder Salience				
Founder Salience		Monitor		
Successor Salience		Monitor		
Family Salience		Monitor		
Employee Salience		Monitor		
Client Salience		Monitor		
Outsider Salience		Monitor		
Founder-Successor Issues				
Relationship		Monitor		
Letting Go		Action		Monitor
Delegating		Monitor		
Workload		Monitor		
Intimidation		Action		Monitor
Over Dependence		Action		Monitor
Successor Strategies		Action		Monitor
Transfer of Power		Action		
Successor Development				
Capabilities Development		Action		Monitor
Experience		Action		Monitor
Transferring Knowledge		Action		Monitor
Teamwork		Action		Monitor
Managing Commitment				
Process Communications		Action		Monitor
Perceived Fairness		Monitor		
Satisfaction		Monitor		
Founder Commitment		Action		Monitor
Successor Commitment		Action		Monitor
Family Commitment		Not Relevant		
Employee Commitment		Monitor		
Client Commitment		Action		Monitor
Outsider Commitment		Action		Monitor

*(Vertical label spanning the table: **Cultural Lens**)*

Fig. 17: HC-Co Culturally-Mitigated Working Analysis Framework

5.1   INTRODUCTION

I broke the discussion section into five parts: reflecting on the updated Working Analysis Framework and how each Driver related to HC-Co; considering the role corporate culture seemed to be playing in how these Drivers expressed themselves; how my own findings related to the literature; actions arising; participant contributions, and; what I had learned from it as an action researcher.

5.2   WAF DRIVERS

My thoughts on the relevance of the Drivers evolved into the HC-Co Culturally-Mitigated Working Analysis Framework, as did my use of the Resource-Based View (Barney, 1991) in structuring the WAF. My initial thoughts had been that it provided a useful model to differentiate the Problem Statement that this research was seeking to address and help categorise the results. However, the prime responsibility of leadership is to manage these resources, and which are inevitably impacted by the leadership-succession process. To my mind, choosing the Resource-Based View proved to be particularly relevant through maintaining a focus throughout on the importance of continuing to manage all resources - tangible, intangible and human - to maintain our competitive advantage, failing which HC-Co risked becoming one of the 72% who did not survive the leadership-succession process (Lomax et al., 2015). I have discussed below the detailed interplay that was apparent between the various Drivers in regard to the Company's different types of resources.

5.2.1 Tangible-Resource Drivers

5.2.1.1 Capital

The Participants did not overly focus on capital Drivers, whereas the literature identified a number. These included the financial implications of an ownership transition (De Massis et al., 2008) which typically happens at the same time as a leadership transition, associated costs with either process (Blanco-Mazagatos et al., 2007), or loss of income or increased supplier costs due to confidence issues (Smith & Amoako-Adu, 1999; Anderson et al., 2003). However, one Participant did raise the question of how employees might react if my wife and I continued to take a dividend after we had handed over the leadership.

I was aware from both the literature and our own founder-leadership succession that there was often an accompanying ownership succession. In our case, there was no significant implication for capital as the employees were earning their half share of the Company by increasing profits. We would need to incur legal and accounting costs to put the necessary structure in place to facilitate partial employee ownership, but these were not significant.

There was therefore no material accompanying debt, either for the employees or the Company, to buy us out of this share.

5.2.1.1.1   OWNERSHIP-TRANSITION DRIVERS

Whilst the Participants did not focus on other potential ownership-transition Drivers, the literature identified the potential for problems in other areas. For example, Sund et al. (2015) identified increased detbt as a Driver, but which our method of transitioning to partial-employee ownership avoided; we were giving the employees the opportunity to earn their share through working harder and smarter. However, there was a risk that if we started slipping against the earn-out target, which would delay the ownership transition, employees may lose a measure of confidence in the Leadership Candidates if they held them to be responsible, which would therefore impact the leadership-succession process too. This was therefore a Driver that required monitoring, and which may have implications for stakeholder commitment (see Human-Resource Drivers, below).

5.2.1.1.2   RISK APPETITE AND ACCESS TO DEBT

Risk appetite was another issue not focused on by the Participants but which was identified in the literature. Miller et al. (2003) highlighted that new leaders tended to be more variable in their approach to risk which could impact the company's capital. They found successors could be inconsistent in their approach to risk, could take a very conservative approach, or take unnecessary risks just to be different to their predecessor, any of which could impact on the company's profitability and the confidence of key external stakeholders. For example, banks were unlikely to extend credit to a new leader who appeared not to be taking an appropriate approach to risk (Molly et al., 2010). Whilst I recognised that these were potentially serious Drivers for HC-Co, I also recognised that exploring them with the Participants at this stage was unlikely to be helpful; I felt it was too early in the leadership-development cycle to judge what the Leadership Candidates' risk appetites were, or the reaction of key stakeholders to them taking over. However, we did note that, in order for key stakeholders to form a view about our successors' appetite for risk, they first needed to know them, which was not the case for the bank and accountant, although they were far better known than my wife and I to other outsiders such as suppliers and regulators. We therefore instigated a process by which the Leadership Candidates would interact with key outsider stakeholders they were not already familiar with, and then monitor the situation, which I discussed further, below (see Outsider Commitment).

5.2.2 Intangible-Resource Drivers

The intangible resource drivers identified in the literature focused on five principal areas: succession planning; selection; performance management; governance, and; strategy.

5.2.2.1 Succession Planning

In order for there to be a succession, this need to be planned. Three areas were addressed in the WAF framework; planning failures, firm vs family objectives, and general risks.

5.2.2.1.1 PLANNING FAILURES

The Participants did not focus on succession planning, which is what the literature found also. Bruce & Picard (2006) noted there was an almost universal failure to plan by companies, which Motwani et al. (2006) noted was moderated by company size, principally because founders were unfamiliar with the process (Schlepphorst and Moog, 2014), and found it to be very complex. However, I did not feel this was why the Participants were not focusing on it, more that they felt we had it covered by vitue of the fact that I was writing this thesis. In fact, when specifically questioned on whether they felt able to challenge me on issues relating to the leaderhsip or ownership succession, there was a general acceptance they did not, and which raised the issue as to whether they were over-dependent on me and my wife in this regard (discussed below). I also recognised that their failure to challenge me combined with the work I was doing on this thesis was might lead me to a similar conclusion. However, the focus of the thesis was on the Drivers of leadership succession which, whilst being a necessary part of the planning process, is not sufficient in itself. Whilst this thesis also considers how these Drivers may apply to HC-Co, it stops short of considering how they should be mitigated. As such, whilst this thesis goes a long way towards creating a succession plan, it is not complete, and further action was therefore required in this regard.

5.2.2.1.2 FIRM VS FAMILY OBJECTIVES

Similarly, the Participants did not raise any conflicts between family and firm objectives. Holt & Popp (2013) highlighted that this was a risk in family firms and, whilst we did not have any family members other than my wife and me, I recognised that our objectives were not necessarily the same as the Company's, or the new employee shareholders once the employee-ownership transitions completed; I discussed the potentially-conflicting dividend preferences above (see Dividend Policy). There was also the issue of governance systems (see Governance, below) whereby we may want to put in systems in place that protected us but were not necessarily in the interests of the new shareholders or leader. The Participants saw our transition to employee ownership as evidence that we had found a fair formula to address these issues which, whilst I recognised this may be the case, I also saw it as further evidence of possible over dependence (see Founder-Successor Issues,

below). My conclusion was, that whilst I had tried to be fair in designing the employee-ownership process and we were still working on the governance structure, there was a risk of self-interest bias (Van Dijk et al., 2004), and which may go unchallenged if the employees continued to feel over-dependent or intimidated (see Founder-Successor Issues, below). My conclusion was that this was an important Driver to monitor as there was a risk of introducing systems that were not initially challenged but could lead to discontent later.

5.2.2.1.3 GENERAL RISKS

Whilst the Participants raised a number of issues that could be considered as risk-type Drivers, these tended to be specific to WAF Driver areas, and were therefore addressed in those sections. However, the literature raised other risks, such as losing key personnel (Rothwell, 2011a) and issues of bias (James, 2006). I also recognised that there were likely to be other general risks identified as part of the succession process that only became apparent at particular stages of that process, and the decision was therefore made to set up a risks-register to monitor these.

5.2.2.2 Successor Selection

There were three parts to successor selection in the WAF also; selection criteria, selection decision, and whether they should be an insider or outsider.

5.2.2.2.1 SELECTION CRITERIA

In regard to selection criteria, the Participants were very forthcoming, suggesting a mix of capabilities and characteristics. The literature supported this approach but also addressed questions of how candidates should be assessed. For example, Brockhaus (2004) and Dyck et al. (2002) highlighted the importance of a needs' assessment, Brockhaus (2004) adding that both hard and soft skills should be assessed, and Nordqvist et al. (2013) focusing on the importance of them being entrepreneurial.In some ways we had already bypassed the Participants and academics' recommendations by developing the Leadership Candidate without first assessing them against any other selection criteria other than they were the three most senior managers, and we had a tradition of promoting internally. In some ways the issue of selection criteria had therefore been bypassed, but I still recognised the importance of taking these into account. Whilst it was too late to apply such criteria as part of a selection process, I recognised such criteria could be an important support to how the Leadership Candidates were developed, and this was therefore marked for further action.

5.2.2.2.2 SELECTION DECISION

Whilst the selection criteria had been somewhat bypassed by our having already moved forward with the Leadership Candidates, this was only partially true of the selection decision. We had drawn up a team of three candidates who we hoped and expected would

work together as part of a leadership team, but ultimately there would only be one CEO. This issue did not come up in the first iteration, but both Ward (2004) and De Massis et al. (2008) had highlighted a number of risks when the decision is made by the founder, and I therefore explored it in the second iteration. What I found was that there was initially unanimous support for my wife and me making the final decision, but further probing revealed evidence of over-dependence in this area also (discussed further in Founder-Successor Issues, below). Whilst it was reassuring to know that both insider and outsider Participants had confidence in our decision-making in this regard, I also recognised that there was a risk of our making a poor decision if we fell into any of the traps identified in the literature, such as failing to follow objective criteria (De Massis et al., 2008) or appointing the candidate most like ourselves (Levinson, 1971), and marked this as a Driver to monitor.

5.2.2.2.3 INSIDER VS OUTSIDER SUCCESSOR

As discussed above, we had already made the decision to start down the insider route and, only if that did not work out, would we consider external candidates. It was therefore not surprising that the Participants did not raise this as an issue, save to caution against going the outsider route. The literature made various arguments for and against outsiders, with Kirby and Lee (1996) raising the interesting possibility of an outsider being used on a temporary basis whilst an insider candidate was made ready. Whilst I noted that this may be a helpful halfway house if my wife and I felt we had to move on before one or all of the Leadership Candidates were ready, the Participant's comment made me wonder if there was a bias against all outsiders that would be hard to overcome, regardless of circumstances. I therefore explored this further in the focus group where a cultural dimension seemed to be at play, and which I discussed further under the Role of Culture, below. However, I also recognised that there were sound business reasons for promoting internally in that it helped to lift employee engagement by blurring the 'them and us' line between staff and management, which people would therefore see as more pervious than in many companies. This was therefore also a Driver to monitor.

5.2.2.3 Performance Management

Performance management received little attention from the Participants beyond underlining the importance of task completion and following policies and procedures, which would need to be monitored. It was also only focused on by Rothwell (2011), who noted that a firm's performance can be affected by a number of issues during a leadership succession. This seemed to me to be a potentially major risk with key personnel focusing on the succession as well as their day job, outsiders inevitably revaluating their confidence in HC-Co, whether from the perspective of client or supplier, and was therefore an important issue to address. My conclusion was that one governance system, our KPI's,

needed to be updated to meet the needs of the leadership succession, a system that was currently over-complicated and therefore largely ignored by the management team. The decision was therefore made to introduce a new KPI system that was fit for purpose, and then to ensure it was monitored.

5.2.2.4 Governance

Governance was not focused on in the first iteration by the Participants, but the literature review noted that the founder typically wanted no restrictions, whereas they did not want their successor to have the same freedom (Casillas et al., 2010). I recognised this was true for HC-Co too, partially because of the employee-ownership transition where a change of governance was implicit, but I also recognised that I would wish to have structures that allowed me to keep an eye on my investment after I had left (see Performance Management, above). This was therefore discussed in iteration-two, which again revealed a high degree of confidence in the plan my wife and I had formed for the founder-leadership succession and employee-ownership transition, but which I felt also might reflect an over-dependence on us. It was therefore decided to set up a working group to look at the area of governance specifically to ensure it met the needs of all stakeholders in a way that did not constrain future growth; a risk identified by Casillas et al. (2010) as a particular risk. However, I also recognised that, if this group was to be effective, timing was important. If it were to happen at a time when the participants of that group still felt over-dependence it was unlikely to be as productive as when they had more confidence in their own ability, and this was therefore marked as a Driver for action prior to the transfer of power, but otherwise put on hold until the Leadership Candidates and other employees' confidence had grown to be able to challenge my wife and me in all areas.

5.2.2.5 Strategy

Another area that was not focused on by the Participants or the literature was strategy, but it seemed to me that the change of leader was a strategic event in itself, given that the CEO was responsible for delivering on a company's strategy. I therefore raised this as an issue in the second iteration. The responses of the Participants demonstrated that this was a development issue to ensure the Leadership Candidates understood strategy as a concept and were able to think and act strategically; it was a process currently led by me and, whilst strategic issues were discussed at management board meetings, no one other than me and my wife really had a working knowledge of the subject. I concluded that strategic thinking therefore needed to be addressed as one of the Leadership Candidates' key capabilities, which I appreciated would in part be supported by their higher-level management studies, but also through taking advantage of action-learning opportunities as they presented themselves. This was a Driver that was therefore marked for initial action, and then monitoring to ensure strategic issues were being addressed effectively.

5.2.3 Human-Resource Drivers

Human-resource Drivers related to such issues as who had salience over the leadership-succession process, but also more specific Drivers such as what impacted the founder-successor relationship, developing the successors' capabilities, and managing the commitment of all the stakeholders so that the process could complete successfully.

5.2.3.1 Stakeholder Salience

The Participants highlighted a number of stakeholders they felt had salience over the succession process, including the founder and successor in passing, with greater focus on employees, clients, and outsiders. However, the focus of much of the literature, whilst covering the founder and successor, was on the family. There was therefore a great divergence between the two.

5.2.3.1.1 FOUNDER SALIENCE

The Participants mentioned the importance of keeping me and my wife happy, but almost as an afterthought, whereas a great deal of the literature focused on the founder and his or her ability to frustrate any succession (Mussolino & Calabrò, 2014; and Cadieux, 2007). This was another example of where I was not surprised at the lack of focus by the Participants on whether we were important or not as it seemed to be a given and, with hindsight, I felt my further enquiries in this regard in the second iteration may have come across as a 'cry for recognition'. However, I recognised that the stakeholder salience theory (Mitchell et al., 1997) focused on three pillars; power, legitimacy, and urgency. We clearly had power in that we were the current owners of the Company and the most senior executives, beyond any power that comes from founder status. As the current leaders, we also had a legitimate interest in what came next. However, I recognised that the urgency with which we viewed the succession process may vary over time. The literature cited a number of reasons why, including how effective the relationship was with the successor (Mussolino & Calabrò, 2014; and Davis & Harveston, 1999), how committed we felt to the Company (Cucculelli & Micucci, 2008), and whether there were issues outside of the Company pulling us away. I recognised that our own salience may vary and therefore needed to be monitored, and which had implications for our own commitment to the process (discussed further in Stakeholder Commitment, below).

5.2.3.1.2 SUCCESSOR SALIENCE

What was true for the founder was also largely true for the successor, both in terms of the attention the Participants paid to their salience (they saw it as a given), and the detail of their salience. Successors had power in terms of their ability to withhold their support or withdraw, legitimacy as the designate successor, and their own urgency may also vary over time. The degree of their salience also had to be monitored.

5.2.3.1.3 FAMILY SALIENCE

However, the question of family salience was far more ambiguous. This was not picked up on by the Participants but was a major focus of much of the literature, where there was a general presumption that the successor would typically be a family member. This was not the case for HC-Co, and therefore my question was to what extent family salience was relevant or analogous for the salience of others. In the strictest sense, the only family members in the process were myself and my wife, whose salience is considered above. Whilst approximately 30% of staff were related by blood or marriage to other staff members, this was a different familial relationship to that envisaged by the literature, which I discussed in the literature review. My conclusion was that there were no obvious family stakeholders to be considered, save that employees may act in a family-type way given the extended length of service of many of them (more than 15% had worked for the Company for more than ten years, with 6% approaching the thirty-year mark), and I felt this was therefore a Driver to monitor also.

5.2.3.1.4 EMPLOYEE SALIENCE

When it came to employee salience, there was a similar divide between the Participants and the literature; the Participants felt they had salience, whereas their salience was largely unrecognised in the literature. My own initial thoughts were whether this was an example of a moral duty the Company had which fell short of being a Driver, or whether the employees would be able to prevent or significantly influence the founder-leadership succession. My own instinct was that they probably had the power to influence the process in a similar way and to a similar extent to that which an owner's family members typically had in such a process, which the literature had suggested was considerable (Lansberg and Astrachan, 1994; Horton, 1982). The Participants reinforced their own view, in the second iteration, that the employees had salience. The leadership success was of legitimate interest to them through both the impact it may have on the security of their employment and the impact this may have on the employee-ownership succession. They had power in the sense that they could undermine any successor. However, they probably had little urgency given that the succession had little direct impact in the way it did for the founder and successor. This was therefore another driver to monitor.

5.2.3.1.5 CLIENT SALIENCE

The Participants also held the view that the clients had salience, a view that I was initially sceptical of. The literature had little to say on the subject, save that dissatisfied client may leave (Sund et al., 2015). My own view was that, given that the consequences for our clients of moving was greater than for most businesses due to the adverse effect this could have on their health, their power in terms of stakeholder salience was diminished. I felt this

vulnerability meant HC-Co had a higher moral duty than most companies to their clients, but that they fell short of being key stakeholders as their influence was almost certainly insufficient to prevent a founder-leadership succession. However, the Participants persuaded me otherwise in the second iteration. The questions of urgency and legitimacy were not of the essence to my mind, it was whether they had the power to change the succession process. In this regard, a professional Participant made the point that they did not need to leave in order to exert their influence, which I recognised was unlikely to happen in significant numbers unless things were going significantly wrong, but they could complain to the authorities. As such, they had an indirect power over our reputation which, if significantly harmed, could impact the succession, and was therefore a further Driver that needed to be monitored.

5.2.3.1.6 OUTSIDER SALIENCE

The Participants also identified outsiders with salience but, whereas they were clear as to why employees or clients may have salience, their contributions in this regard were more by way of completing a list; the bank, regulators, suppliers etc. The literature's focus on these outsiders was similarly brief, and was more focused on the impact that a loss of their confidence may have (Sund et al., 2015). From my perspective, any outsider who either had a commercial relationship with the Company or a genuine interest in it, such as with the local community, has a legitimate interest in the outcome of the leadership succession. However, their power and the urgency with which they may view matters would vary. For example, our regulator had the power to shut us down and had demonstrated with other healthcare companies that they would do this as a matter of urgency if the circumstances demanded. Similarly, but with less power, were the bank who could withraw financial support if they lost confidence, but who could be replaced if we were able to gain the trust of another bank. Their degee of urgency was also likely to be proportional to their perception of the risk they were exposed to. Other external stakeholders, such as suppliers, would be similar to the bank in that they could withdraw their services, and may choose to do so quickly if they feared not being paid, but were again typically easier to replace. In the same way that clients could impact our reputation, so could the local community. To my mind, they all therefore had salience and therefore needed to be monitored to ensure any efforts we made to keep them committed to the succession (see Managing Commitment, below) was proportional to their level of support for the succession. However, there were two stakeholders, the founder and successor, who the literature had focused on in particular.

5.2.3.2 Founder-Successor Issues

Both the Participants and the literature focused on such Drivers as transfer of power and timing, but there was also a divergence of focus.

The literature review addressed founder-successor issues in section **Error! Reference source not found.**, highlighting some of the problems there can be with communications (Cadieux, 2007), poor choice of successor strategies (Cucculelli & Micucci, 2008; Bennedsen et al., 2007), and transfer of power issues (Cucculelli & Micucci, 2008); each of which we hoped were being addressed by our evolving Leadership Candidate development process. The Participants also felt these issues were being addressed, although I recognised it was too early for the Leadership Candidates to have developed their successor strategies, and therefore familiarising them with some of the literature might be a helpful preventative action to take by way of a warning. However, the research phase also highlighted an issue not brought up in the literature; the risk of over-dependence on my wife and me. Until this issue was understood and addressed, I felt it would not be safe for us to step back, and risked the Leadership Candidates becoming demotivated if they could not see a way through, and I therefore felt taking some action to address this was essential. My conclusion was that the same remedy for helping them to develop their own successor strategies and transfer power by doing things gradually was likely to address the over-dependence Driver too. However, I also considered this was not a Driver to be underestimated given the differences in our experience and training. In the same way we had started a risks register to capture and monitor risks, we also planned to start a skills and capabilities register to monitor how the Leadership Candidates were progressing, using the four stages of Situational Leadership (Hersey et al., 2008), to include when they had taken over responsibility for individual tasks.

5.2.3.2.1 RELATIONSHIP

For example, the Participants did not focus on the relationship between the founder and successor, whereas the literature highlighted that a successor could be effectively blocked if the founder's leadership style was exclusive and non-benevolent (Mussolino & Calabrò, 2014). I recognised the importance of a good relationship with the successor but did not focus on it with the Participants as I felt there was evidence we had already established this. However, our letting go and relinquishing control was another matter.

5.2.3.2.2 LETTING GO

At the time of the iterations, the internal Participants were appreciative of our support, and the professional Participants thought our approach to the leadership succession was well founded. However, the literature raised a note of caution. For emotional and financial reasons, both Hoang and Gimeno (2010) and Cadieux (2007) observed that founders often found it hard to hand over control, and I recognised that there was the potential for that to apply to me and my wife too. However, whilst I recognised that the relationship with the

successor was part of this, it seemed to me to be more encompassing than that, and I therefore considered this further under Founder Commitment, below.

5.2.3.2.3 DELEGATING

However, what was unquestionably a founder-successor issue was how well my wife and I delegated. This was not an issue raised by the Participants in the first iteration, but it was a Driver raised in the literature where Handler & Kram (1988) had observed that founders were typically perfectionists who feared tasks would not be completed to their own high standards. I recognised that this was a hard Driver for me to judge, and I therefore brought it up with the internal Participants in the second iteration. On the whole, they felt we delegated well which did partially surprise me. Whilst I recognised the perfectionist trend in both myself and my wife, I was typically happy to delegate and then comment if and when things were not done as I would have liked them to be. However, I initially considered that my wife was far less eager to hand over her responsibilities, and we had a number of conversations on this topic.

On reflection, I concluded this perception by us may have arisen because we often had conversations about the effectiveness with which various tasks were done as a foundation to reinforcing good practice, or coaching on where we felt things could be done better, but I also recognised there was another issue at play. My wife's role was largely financial, and the areas she was holding back on delegating were those that she felt she needed to do to keep her finger on the pulse of what was going on. She was clearly not at a stage where she was ready to let go herself, which also did not surprise me; we were going through a process to bring on the Leadership Candidates, and which was not yet completed. However, this did lead me to the conclusion that we probably were reasonably effective at delegating and, where we were not, was because we were not yet at the stage of the process where it was appropriate to do so. I also recognised that some of the tasks she was holding back on she may never want to let go of as a form of governance control, such as reconciling the bank account, which Casillas et al. (2010) noted was not untypical in a leadership succession. This was therefore, to my mind, a Driver that required monitoring.

5.2.3.2.4 WORKLOAD

In fact, perhaps we had been too good at delegating as one issue brought up by the Participants, but not in the literature, was workload. A number of Participants raised concerns in the first iteration that the Leadership Candidates may be struggling with the additional responsibilities the succession process had brought them on top of their normal responsibilities. It was also recognised that this may lead to a lack of perspective, partially through their being overworked, but also because they could not get sufficient distance from the day-to-day running of the Company to see things from a wider perspective. These

concerns led us to revise their roles, with one giving up her registered manager position to become designate CEO, another reducing her hours spent as registered manager, and the third restructuring how she managed her responsibilities. With one exception, the feedback in iteration-two was that this had been effective. Where it had not been effective was because the Leadership Candidate concerned was too ready to jump in to help other people and was therefore more of an issue for coaching than further role changes. As a Driver, I therefore marked it as one to monitor.

5.2.3.2.5 INTIMIDATION

A further Driver raised by one outsider Participant was whether I could be intimidating. This was not specifically raised in the literature, Mussolino & Calabrò (2014) had identified the founders leadership style as having a potentially negative impact on the successor. The Participant's comment related to whether my logic and experience may be intimidating, and this resonated with comments made by other internal Participants that the fact I was studying for a doctorate meant they would be more reluctant to challenge me. I had also had various comments that I sometimes used words that were not familiar to my audience, and which could therefore lead them to disengage. Particularly in view of the over-dependence Driver, discussed below, I felt intimidation was a Driver I had to manage if it was not to get in the way of a successful leadership transition, and I therefore marked this for further action and then monitoring.

5.2.3.2.6 OVER DEPENDENCE

The issue of over dependence was not raised in the literature, but it became apparent from a number of conversations with the internal Participants that this was a risk. Where they had a level of expertise, all the Participants felt able to challenge both me and my wife, but they saw the ownership and leadership successions as different. These were areas they had no expertise in and where I had very much taken the lead, and whilst they generally had confidence in what we were doing, they openly admitted they were unequal to effectively challenging me or my wife in this regard. I felt this Driver was therefore a major threat to the leadership-succession process as not only were my wife and I not infallible, change processes are most effective when the stakeholders help to form the plan (Zigarmi et al., 2008), which therefore required their active understanding and involvement. In part, I recognised sharing this thesis would help in this regard as it would share much of my learning with the key stakeholders, but I also recognised that their greater involvement may trigger a defensive reaction from my wife and me (Kaplan, 2008). This was therefore a Driver that required further action, but which I also recognised may awaken other Drivers that would need mitigating.

5.2.3.2.7 SUCCESSOR STRATEGIES

Successor strategies were not raised by the Participants, but were focused on in the literature as important and, whilst this could be viewed as a successor-development type driver, was often connected to the founder (Cucculelli & Micucci, 2008; Bennedsen et al., 2007). For instance, Gilding et al. (2015) identified four different strategies based on the harmony that existed between the founder and successor, whilst Miller et al's (2003) noted three strategies which were typically a reaction to the founder of changing nothing, changing everything or wavering between the two. Whilst I recognised these risks and had seen them when people had been promoted to other positions, it seemed to me to be an issue of competence and confidence, combined with a clear direction. This therefore underlined the importance of getting the successor-development process right, which is discussed below (see Successor Development).

5.2.3.2.8 TRANSFER OF POWER

Presuming we overcame all of the above, at some stage there would have to be a transfer of power from the founder to the successor, and the Participants typically focused on ensuring it was smooth. The literature picked up on other issues, such as noting the quality of communications and trust between the founder and successor was important (Cadieux, 2007), discussed above (see Relationship), as was commitment and preparation (Lansberg & Astrachan, 1994), discussed below. However, whilst these Drivers were obviously important, save where the founder was no longer able to act , a transfer of power was unlikely to happen until such time as the founder and successor were committed to it (Motwani et al., 2006). Whilst there were a number of Drivers that contributed to this, and therefore needed action to ensure they were managed, to my mind the key Driver was one of commitment, which is discussed in Stakeholder Commitment below, as is developing the successor's capabilities.

5.2.3.3 Successor Development

We had started the successor-development process with the Leadership Candidates prior to this research, and it was therefore not surprising that the Participants had strong views on the subject, covering capabilities, experience, transfer of knowledge, and leadership style. Most were also covered in the literature.

5.2.3.3.1 CAPABILITIES DEVELOPMENT

The Participants contributions were more general in nature, identifying that the Leadership Candidates would need training, rather than being specific as to what, and adding that mentoring would be a good method. The literature was more specific.

The mirror issue to a company needs assessment was a capabilities assessment (Morris et al., 1997), to identify the gaps in the Leadership Candidates' capabilities and experience.

We did this over a number of retreats and was focused on with the Participants in iteration-one, with transferring knowledge also being discussed in iteration-two. There was no great divergence of thinking, although some clear calls to action.

We had already started to look at how we could improve our mentoring to support how we were going to transfer the necessary knowledge to the Leadership Candidates. This was underlined as a Driver in the literature review (Cabrera-Suarez et al. 2001), with the founders often finding it hard to be explicit as to what knowledge they needed to transfer (Schlepphorst & Moog, 2014), which proved to be true for me also; as discussed below (see Transferring Knowledge). Recognising this was likely to be an issue, in the retreats my wife and I held with the Leadership Candidates, we also worked to identify what the key responsibilities we had were, who would take them over, and how this would be done. We identified Action Learning (Garavan et al., 2015) as a potentially useful method to achieve this transfer of knowledge by looking for real-world opportunities for the Leadership Candidates to take part in, which we were to monitor by following the four stages of Situational Leadership (Cadieux, 2007); directing, coaching, supporting and delegating. However, what we found was that, largely because we worked remotely from the Leadership Candidates, the Situational Leadership model did not work particularly well as a lot of our responsibilities were complex, and therefore better-done face to face. The Leadership Candidates themselves were also having difficulties anticipated in the model but were reticent to bring this expected lack of confidence or competence to our attention, which led to inertia. We therefore collectively reflected on how we could achieve better results.

Our conclusion was to in part use technology to support the process, the Leadership Candidates were to undertake further management education, and also to be less ambitious as to pace.

> We adopted a task management system that included discussion boards which meant we no longer had to wait for other people to be working at the same time, or in the same place to progress matters. In some ways this was not as effective as face-to-face communications as we were unable to read the person's body language, but in other ways it proved far superior. Because people were able to give greater consideration to their responses, the quality of their thinking and inputs improved considerably, but it also allowed me to expose my thinking in far greater detail by discussing real-world examples. It was through these discussions that we started to reinforce our identity as a leadership CAS of five people (my wife, the three Leadership Candidates and me), and started to update the vision my wife and I had painted as to how the Company should be. It also proved an effective way for some of my wife's and my tacit knowledge to start transferring over.

We also recognised that a key part of my abilities was the formal training I had undertaken which, combined with my greater experience, allowed me to often look at things more clearly, and in a different way. We felt the Leadership Candidates relative lack of formal training was therefore likely to be a contributory factor in terms of the confidence with which they approached their new responsibilities, but also their competence as their principal source of information was a founder who was struggling to be explicit as to what he did (Schlepphorst & Moog, 2014). All three of the Leadership Candidates therefore signed up for professional management courses, with the designate CEO committing to undertake an MBA.

The last change we made was to start with smaller action-learning examples approached in a different way. The longer-term nature of this updated knowledge-transfer plan meant it was too early to draw any firm conclusions at the time of writing this thesis, but there was one area the CEO designate was struggling with. In many ways, it was easier for the other two Leadership Candidates who, by heading their respective divisions, were taking on a logical and less ambitious progression. However, for the CEO designate, many of her responsibilities were new to her and more complex than she had undertaken before. Seeing them as a list combined with action-learning initiatives when the opportunities presented themselves did little to give her clarity or confidence. We recognised that part of the problem was that my wife and I worked remotely and were tending to go on auto-pilot when a job needed doing, depriving her of learning opportunities or a clear structure. After reflecting on this with the three Leadership Candidates, we therefore made one further change, which was for my wife and me to act as a three-person team with the Leadership Candidate who was the CEO designate. My wife and I played non-executive roles, with this Leadership Candidate acting as the executive director putting our jointly-formed plans into action. We met with her online at the beginning of most work days to set and reflect on objectives, and applied the Situational Leadership approach of initially directing her and then, as her competence and confidence grew, coaching and supporting her, until she was ready to take on the whole task herself. This approach was consistent with Churchill & Hatten (1987), and Handler's (1990) recommendation to transfer responsibilities gradually.

This was therefore a Driver we were already focusing on a great deal and planned to continue to do so.

5.2.3.3.2 EXPERIENCE

It may be that the Company's focus on testing the Leadership Candidates for their leadership potential, either as individuals or collectively, may have led the Participants to presume that the question of experience was being covered. However, whatever the

Participants' reasons for not focusing on it, the literature had with Longenecker & Schoen (1978) amongst others recommending that successors undertook a number of roles. Whilst I did not direct the Participants' attention to this, I was aware that the Leadership Candidate who had been appointed as designate CEO had been in part because they had such wide experience within the Company, on both operational and administrative roles. This was therefore advice we were already taking and was proving effective, although we had more challenges with the next Driver.

5.2.3.3.3 TRANSFERRING KNOWLEDGE

The Participants focused on the importance of transferring knowledge to the successor, such as by mentoring, with Cabrera-Suarez et al. (2001) noting this relied on the founder being able to identify what they did, which they often found difficult (Schlepphorst & Moog, 2014). We were no different, and found identifying the tacit knowledge we had (Nonaka and von Krogh, 2009) and how we should transfer it a frustrating process.

What became apparent through trial and error was that I had a very clear vision of what was right and wrong in the way things should be done, which made it very easy for me to quickly say if something was consistent with it or not. Unfortunately, I found it very hard to paint that vision in a way that others could easily see. Interestingly, my wife could see the vision quite clearly, which gave me a clue as to why others may be slower to perceive it; we had been working together for twenty-five years and living together for thirty-four years. We had therefore had many conversations in which not only had I been able to paint my vision in detail, but she had in reality been the artist too through modifying my thinking over time. We had effectively been a CAS of two people and were now trying to expand it to a CAS of five by including the Leadership Candidates. The issue therefore became not so much of how I got the Leadership Candidates to see my vision, but how we collectively could paint a vision of how the Company should look in the future that was congruent and pleasing to all, particularly our future clients. I also recognised that time was a key factor in this.

This realisation modified my expectations in two ways. One was that I should not expect to be able to quickly convey to the Leadership Candidates what we did, not so much in terms of tasks, but how we went about making decisions. Painting a vision of what we were trying to create was important, but this understanding was a social construction that would take time to get across. I therefore started to have daily conversations with the designate CEO, not to make decisions for her, but to draw out with her what I felt the factors were and their relative importance. This helped to paint a richer vision for her which she could then better apply to other decisions.

The social constructive aspect to this process led to my second observation. Gilding et al. (2015), discussed above (see Successor Strategies), identified that successors often slavishly followed what had gone before, totally rebelled against the founder's style, or oscillated between the two. I wondered if this was in part because they did not have a clear vision of how the future should look, but also recognised that my own vision of the future was upgraded by circumstances, including the many conversations with my wife. Whilst new threats and opportunities would also be factors, I recognised that my conversations with the designate CEO would not only update her 'vision', but my own and my wife's also. Whilst had already recognised that this is something we may push back against (see Over Dependence), we actually had to welcome it if we were ever going to be able to retire. Not only would the designate CEO's and other contributions typically improve the quality of the vision, unless it was clear in their own minds, they would never be able to move towards it on their own. We therefore had to go through a process of sharing our own vision, before allowing it to be modified, and then finally entrusting it to others. The was therefore a key Driver that required ongoing action.

5.2.3.3.4 TEAMWORK

Once the successor had acquired the founder's knowledge, they had to apply it, and to do this effectively they needed to be a good team player. This was an issue that received a number of comments from the Participants in the first iteration, and I therefore followed it up in the second. In particular, there seemed to be questions as to how well the Leadership Candidates were getting on. Whilst teamwork was not a Driver specifically focused on in the literature, it had anticipated that stakeholders may play games (Blumentritt et al., 2012) if they did not get what they want. Perhaps one or more Leadership Candidates were doing the same, which was a concern I had. I was never certain whether it was because of 'sibling rivalry' (Kets de Vries, 1993), conflict (De Tienne and Chirico, 2013), or mismatched goals (Sharma et al., 2003; Dunn et al., 1999; and Cromie et al., 1995), but I was occasionally concerned that issues within the executive team were sometimes taking longer to resolve than we had anticipated. There was no evidence that any of them were actively playing games (Blumentritt et al., 2012) to promote their own interests, but I did get a sense that their own challenges were sometimes more obvious to themselves than those of their colleagues.

When asked, the Leadership Candidates recognised that there had been some settling issues, but these had not been obvious to other Participants. My view was that they were doing as well as could be expected, given the stage of the succession process, but we also agreed to have this as an ongoing discussion point which led to a number of changes. One example was to ensure that each of the Leadership Candidates had time working alongside each other so they could better appreciate each-other's challenges, and which led to a

further improvement in team morale and an uplift in performance. This therefore remained a Driver requiring action.

5.2.3.4 Managing Commitment

A key area, if the succession was to complete, was the commitment of the various stakeholders, of which the literature and discussions with the Participants had identified a number, discussed below. There were also a number of Drivers that applied to all stakeholders.

5.2.3.4.1 PROCESS COMMUNICATIONS

I had addressed communication as its own issue but later viewed it as being part of managing commitment, and was a Driver focused on by both the Participants and the literature. The Participants' main focus was on who should be kept informed, such as employees and clients, whereas the literature discussed timing (Motwani et al., 2006) as well as who the audience should be (Daspit et al., 2016), and what the message might contain (Dalpiaz et al., 2014). However, what also became apparent was the need for repetition, discussed below (see Employee Commitment). What was not addressed by either was what specifically should be disclosed and to whom, and this is discussed further in the specific Commitment sections, below. I also recognised that the quality of our communications would impact the perception of fairness with which the process was being carried out.

5.2.3.4.2 PERCEIVED FAIRNESS

Both the Participants and the literature saw perceived fairness as being made up of three areas: role clarity; role acceptance (Restubog et al., 2010), and; playing games (Blumentritt et al., 2012). Nordqvist et al's (2013) also observed that family stakeholders could also react emotionally if they thought the process was unfair. In fact I wondered if a number of the Participants' comments were recommendations to prevent game playing and enhance teamwork (see Teamwork, above). The literature had also identified that a failure to be clear, for fear of upsetting people, was a common failing of founders (Miller et al., 2003). I could possibly recognise this in myself in that I had accepted that one of the Leadership Candidates try for the CEO role, even though I recognised she may not ultimately be up to the challenge. My reasoning was that, because she was older, it would be easier for her to accept the Candidate with the most promise if she had been given the opportunity first and concluded herself that it was not for her, which she did. However, I also recognised that I try to be open and transparent in all things, and the feedback from the Participants on a number of issues, such as successor selection and future dividends, was that they saw my wife and I as being fair. Whilst I recognised that this continued to be an important Driver, I felt it was one to monitor for the time being.

5.2.3.4.3 SATISFACTION

Another issue raised in the literature review was the importance of satisfaction with both the process and outcome of the founder-leadership succession (Sharma et al., 2001) to ongoing commitment, but was not raised by the Participants, save as an inferred consequence of perceived fairness. I thereofre concluded that this was a Driver to monitor, and moved on to consider the commitment of individual stakeholders.

5.2.3.4.4 FOUNDER COMMITMENT

One that required me to take a third-party view of myself and my wife was founder commitment. This was not picked up on by the Participants but was the focus of a number of articles (Hoang and Gimeno, 2010; Cadieux, 2007).

I wondered if the lack of comment from the Participants may have been because they saw our commitment as a given. My wife and I started both the ownership and leadership transitions, and also chose the latter as the subject of this thesis. However, perhaps it was because they did not want to appear critical of us; Miller et al. (2003) observed that there could be an unquestioning loyalty to founders. I was therefore concerned that the limited number of comments might also mean that either the Participants were not thinking critically about this issue or were supressing any concerns they had. A further comment also inferred there may be a temporal element to this support through the reference to 'new ideas'. The implicit point seemed to be that the owners not only had to be committed at the start of the process, but on an ongoing basis too. There was also the implicit presumption that the existing owners would continue to wield power which, as the employee-ownership plan anticipated only giving half the Company to the employees, was not an unreasonable presumption.

The idea of founder commitment having a temporal element was an interesting one to explore. Were there limits in time, perhaps connected to ongoing executive responsibility or ownership, or would the nature of the commitment change? For example, would this ongoing commitment happen in all areas, or just those which impacted on the founders' financial or other interests? I recognised that there was a danger of conflating the issues of the founder-leadership succession with the employee-ownership transition, but in a number of ways they were connected, and which made them difficult to consider in isolation. Further, the potential conflict of interest this observation highlighted also had implications that I felt needed further consideration.

As an owner, I was of course delighted that others felt my relevance would not disappear immediately but, putting on my Lead Researcher's hat, I felt this was also an issue that should be explored more deeply. Founder commitment (Hoang and Gimeno, 2010; Cadieux, 2007) was identified as a foundational issue in founder-leadership successions,

and a Participant had highlighted a temporal dimension to this commitment that I felt should be understood better. However, as a founding owner also, I recognised my interest might be perceived to be self-serving, which both risked biasing any responses and harming the employee-ownership transition. If, by my questions, I was perceived to be encouraging the Participants to prioritise our ongoing commitment they might see this as against the spirit of employee ownership. However, it could also be argued that ensuring our, and any other key stakeholders', ongoing commitment was just common sense. My conclusion was that this was a theme that should be explored but, to mitigate the risk of harming the parallel employee-ownership process, I felt any questions should be preceded by a discussion of the risks and clarifying my intentions. I also recognised that focusing on the question of the duration and circumstance of all stakeholders' commitment, before breaking it down to individual stakeholders, might help to put the whole issue into context. Whether this strategy was effective, I do not know.

Letting go was also an issue I had presumed was unlikely to relate to my wife and me as we had started the employee-ownership transition and founder-leadership succession processes. However, the fact there were specific comments about this issue, albeit from outside Participants, would suggest that it was potentially more than a theoretical risk. In fact, I had also raised this as a possibility when discussing founder commitment in that, in order to let go, I would have to be happy there was a safe pair of hands to pass the baton to. As the founder of the Company, I realised my own thoughts, as an owner rather than Lead Researcher, were relevant to how strong the 'letting go' Driver was, which I therefore summarised here:

> In regard to being able to 'let go', I concluded this was not black and white. The fact that we started the employee-ownership transition and founder-leadership succession processes implied we would like to be in a position to let go, but of what and under what conditions remained unanswered. The 'of what' was flexible to my mind and was relative to the abilities of whomever took over. The key objective was to free up time to enjoy our retirement, but I don't think we ever envisaged letting go completely. We also wanted to be sufficiently free of ties to be able to travel extensively but, in this day and age of advanced communications, working as a 'nomad' was far more possible than ever before. Our 'back of the envelope' plan was that in three to five years we would have shed all executive responsibilities and would otherwise turn up for four management meetings a year and be there as a resource. The 'under what conditions' was vaguer, and I recognised that I was hoping one of the by-products of this thesis would be to answer this

question in more detail. For the time being the answer was, 'when there was a safe pair of hands to pass control to'.

I also recognised a psychological resistance in me as I had taken great pride and satisfaction in the Company. However, I suspected this pride-and-satisfaction need would be met by a successful founder-leadership succession combined with the employee-ownership transition. I also considered whether a fear of change would get in the way but didn't think it would. So long as I could see a reason for it, change did not concern me; in fact, I recognised I quite enjoyed the challenge it brought. I felt my greatest block to letting go would be meeting the safe-pair-of-hands test. Whilst this was an issue at the time of writing, I also recognised that I had a high degree of confidence that it was a solvable challenge. We had a lot of talent in the Company along with capable people who aspired to succeed us. My instinct was that we just needed the right plan to turn them into that safe pair of hands. To this end, a testing and development process for the Leadership Candidates was ongoing, each of whom had been made a director, and with one of them identified as CEO designate. The other two were taking responsibility for the two divisions; residential care, and domiciliary care.

I also considered whether there were factors encouraging us to let go (Hoang and Gimeno, 2010; Cadieux, 2007; Handler & Kram, 1988). My health had generally been very good, as was my wife's, but she had experienced very serious health challenges in the past. Whilst there were no pressing health issues that made a founder-leadership succession urgent, her experience had made us both very conscious of work-life balance issues. In regard to whether we had other interests to fill any vacuum created by giving up our executive responsibilities with HC-Co, any other business interests we had were purely as investors; neither of us aspired to taking on new long-term business commitments. However, we were never short of ideas as to what to do with our time from either a leisure perspective, or with shorter-term business projects, and so very much welcomed the opportunity to step back from the Company.

I also didn't feel there was an issue with my conflating my identity with that of the Company (Hoang and Gimeno, 2010). It did not carry my name, it was not something I spoke about to any degree socially and, whilst clients would have been aware of us in the background, our management style had always been to be supporting from behind rather than leading from the front.

The final issue identified in the literature review was whether an inability to delegate would get in the way (Handler, 1994). My natural inclination had always been to delegate when I could, although I also recognised I was intolerant of it not being done to a ´high-enough´ standard. Whilst my wife could delegate, she was less of a natural, and shared or possibly exceeded my intolerance for work that did not meet her standards. This was therefore another possible impediment to our being able to let go.

My conclusion was that in order to let go I had to address was what a safe pair of hands meant objectively, and how we could get one or more of the Leadership Candidates to that standard.

5.2.3.4.5 SUCCESSOR COMMITMENT

I suspect that the Participants were also taking the Leadership Candidates' commitment for granted, as there were only two comments. The literature was more forthcoming as to why they may not be. For example, Stavrou (1990) and Brockhaus (2004) recognised that a misalignment of goals could be an issue, Handler (1994) raised that a poor succession experience was likely to impact their commitment, and with Shepherd & Zacharakis (2000) noting that sunk financial and behavioural costs helped with commitments.

Whilst none of the Leadership Candidates had any financial sunk costs, as the employee-ownership transition was based on an earn-out formula, they had invested a great deal of time in developing their capabilities. There also seemed to be a good alignment of goals, save that two of the three Candidates had at one time aspired to be the CEO. The key variable therefore seemed to be the quality of the succession experience. I recognised that, in part, this related to my own leadership style and how inclusive it was, but also to what degree they had clarity and were able to meet the development goals so that they were ready. This was therefore another Driver were a number of other Drivers fed into it, and would therefore require ongoing action to ensure they all aligned to everyone's satisfaction.

5.2.3.4.6 FAMILY COMMITMENT

Family was identified in the literature as being important, but was not picked up on by the Participants, which was not surprising as there were no family members whose commitment was required (Brockhaus, 2004). This was therefore discarded as being irrelevant to HC-Co. However, employee commitment was another matter.

5.2.3.4.7 EMPLOYEE COMMITMENT

Whilst they were not highlighted in the literature as being key stakeholders, it seemed obvious to both me and the Participants that they were, after all for a leader to be

successful they need people prepared to follow them (Hollander, 1992). I therefore wanted to understand this more in the subsequent iterations, and particularly whether there were any factors that may get in the way of their commitment.

The Participants initially felt that the staff were on board with the proposed changes, and therefore no action was required, however, I remained concerned. My wife, the three Leadership Candidates and I were having quarterly retreats to reflect on how things were going and update our plans, some of which would be visible to the staff, but others were more subtle. For example, target deadlines might change which, if not communicated to the staff group as a whole, could lead to concerns when apparent deadlines were missed. The importance of process communications was discussed above, and I was concerned that the employees may feel out of touch from time-to-time. The Company held an annual 'partners' meeting when an overall update was given, but I realised that this was a long timescale in the context of the founder-leadership succession. We therefore introduced an update into our quarterly meeting with the employee representatives, and the Leadership Candidates also took their own initiative, which was an encouraging sign of their own development. This was the introduction of quarterly 'fun shops' whereby staff from each of the three services came together to not only hear how the founder-leadership succession and employee-ownership transition were going, but to help to shape it also.

However, there was another issue I felt was potentially more corrosive to employee commitment; our continuing to take dividends. This was an issue raised in the literature review by Davis and Harveston (1999) who highlighted that ownership successions typically create for the first time both active and passive shareholders, and who typically have conflicting goals. Whilst dividend policy is a factor of ownership rather than leadership succession, I recognised that it had the potential to impact both as there was a potential for stakeholders to conflate the two processes, particularly as they were happening at the same time. Whilst a Participant used humour in the second iteration to query whether our future drawings would be considered to be fair, another Participant used the analogy of record royalties in the forum as a method to explain why our continuing to take dividends was warranted. However, I also recognised that, whilst it explained why we would continue to take a dividend, it did not address potential conflicts in regard to the amount of those dividends. This was therefore a Driver I felt that required action to address these concerns, and then monitoring to ensure that the solution remained effective.

5.2.3.4.8 CLIENT COMMITMENT

Client commitment was commented on by the Participants and discussed in the literature. Ours was not a business where they could easily change to another supplier, particularly for our residential clients, where a move would typically lead to adverse health consequences (Glasby et al., 2019; Jolley et al., 2011). I had already considered when

deciding who the Participants should be what effect keeping the clients too informed might have. They were, on the whole, both vulnerable and dependent, and to tell them too much might leave them feeling unsettled. However, it was also inevitable they would hear something as the employees were aware of the process and would naturally discuss it with the clients. Our conclusion was to not make specific announcements until the successor had proved themselves beyond doubt, which could otherwise be very unsettling if they did not then succeed, but nor to keep it a secret. For example, my wife and I would openly discuss that the process was going on with clients and their families, and then be responsive to their level of interest, whilst also encouraging the management team to do the same. This was therefore a Driver for passive action at this stage but would later become more active.

5.2.3.4.9 OUTSIDER COMMITMENT

A further risk identified in the literature, and shared by the Participants, was the importance of outsider confidence, such as the bank and suppliers.

The Participants felt that the bank was of a different order of magnitude to other suppliers, as a loss of confidence by them would force HC-Co to refinance or possibly go into insolvency if this were not possible. This was an issue picked up on by (Ward, 2011) who noted that a bank's appetite for supporting a company was correlated to its confidence in the leadership, and which could go up or down as a result of an founder-leadership succession. The bank was different in another way also, in that we had a duty to keep them informed. As our relationship director was also one of the Participants, he already had great insight into what we were doing, but I recognised that keeping him abreast of the plans and progress that would flow from this thesis, after which his direct involvement would have ended, was also important. The Participants also raised that my wife and I were the only people to deal with the bank, which led to a discussion at the next Management Board meeting, where it was agreed that the Leadership Candidates should spend time with key stakeholders they didn't normally see to avoid surprises if there was an issue of confidence, and give us time to address such issues. This was therefore a Driver that was being actioned and would continue to be, but I was also aware that there was a factor that was influencing a number of Drivers; company culture.

5.3   THE ROLE OF CULTURE

The literature review did not focus on culture as a factor in leadership successions, but it became apparent through the iterations that leadership-succession Drivers were having a greater or lesser impact than might be expected. When reflecting on why this might be, I wondered whether there was a cultural aspect at play that was moderating how the

various Drivers expressed themselves within HC-Co. Flamholtz and Randle (2011) argued there were five orientations to a company's corporate culture (customers, employees, performance and accountability, innovation and change, and processes). Whilst I had categorised the Drivers from a resource-based view (Barney, 1991), I recognised that these five cultural orientations potentially overlapped with two of the resource-based types, raising the possibility that many of the Driver could be impacted by HC-Co's culture. However, whilst this emphasised the areas in which culture may be expressing an influence, it did not explain how the culture came to be what it was.

	Tangible	Intangible	Human Resource
Customer		✖	
Employee			✖
Performance & Accountability		✖	
Innovation & Change		✖	
Processes		✖	

Fig. 18: Cultural Orientations vs Resource Types

Moberly (2014) saw culture in terms of a garden; something will grow there regardless. What effect it had, and whether it was beneficial would depend on the balance of weeds and flowers, and how well the garden was tended. I recognised that, in reality, we had been tending our cultural 'garden' without realising it. For example, Pitts (2015) argued that an organisations values were an important influence on its corporate culture, noting that whilst many people saw the purpose of a company as being to make profits for its shareholders, others saw it as something more than this. The importance of profits was not lost on me, without which the company would cease to exist, but my wife and I also treated it as an extension of our own values; we always wanted HC-Co to be something that we were proud to be associated with. I could see that this approach to balancing profits with wider responsibilities was probably expressing itself in our choice of employee ownership, focusing on internally promoting, and focusing on doing the right thing for our clients ahead of considerations for profitability. I could see echoes of these policies in a number of the internal Participants responses which may be suggesting they were now part of the corporate culture of HC-Co. For example, the strong preference shown for internal promotions and concern that our clients' interests were taken into account as part of the leadership succession process. However, would our values be a dominant influence after we had left? I wondered if, in the same way dominant scientific theories tend to change when their proponent was no longer around to defend them (Azoulay et al., 2019), the same might be true of what future values guided HC-Co's corporate culture. If this were the case, it would be better that there was a gradual shift rather than a sudden shock,

which reinforced our intention to proactively involve the Leadership Candidates and others in how the corporate vision developed, see Transferring Knowledge.

Whilst HC-Co's culture and the values that influence that culture may change, I could see that culture might be a factor in the Leadership Candidates' willingness to accept an outsider successor if none of them were ultimately able to take over. Part of the Company's culture was that we strove to be a meritocracy. It was therefore understandable if a Leadership Candidate chose to stay 'on message' even if this varied to how they were actually thinking. I therefore suspected how accepting they were of an outsider successor was likely to be a balance of how strongly they felt committed to the Company's culture vs any personal feelings they may have. This seemed to be an example of where HC-Co's culture may be suppressing the Driver of playing games, see Perceived Fairness, but I recognised might also be mitigated by my wife and my continuing presence, and may therefore change after we had gone.

I also wondered if culture might be a factor in how staff reacted to any possible loss of confidence in a successor. Johnson (2000) describes culture acting as a lens that influences debate and the action people take. In the sense of a CAS, the cultural lens could act like a filter or mental model (Senge, 1992) that structured how the members viewed the incoming messages. If the culture continued to be a positive one where people were supported by 'telling them the truth kindly', I could see any such crisis of confidence being managed without too much difficulty. However, if the commitment to open communications was lost this may not be the case, such as might conceivably happen after my wife and I left and were no longer around to defend our logic.

I therefore wanted to consider to what extent we were the authors of HC-Co's culture, and how robust it may be after our departure. My conclusions were two-fold. Our corporate culture had not so much been 'designed' as emerged as part of a socially-constructed 'garden' Moberly (2014) that involved more than the conversations between my wife and I. Whilst our vision of how the Company should be was inevitably cascaded down through the conversations we had with our colleagues, I recognised those conversations had also modified this vision from time to time, such as when our ideas were impractical and which was only obvious to those working closer to our clients. 'Our' vision was therefore already collective in part, which I saw as another example of CAS at work (Holland, 2012), albeit our influence was almost certainly the greatest because of our salience. However, whilst I had already recognised that what had happened inadvertently in the past had to be done more proactively in the future if my wife and I were to be able to step away, see Transferring Knowledge above, my conclusion was that this also had implications for whether the logic of 'our' ideas was shared by others or would be replaced after we left. It

seemed beyond doubt that culture was playing an important part in how the leadership-succession Drivers were expressing themselves, and so I next considered to what extent.

The following figure illustrates the possible forces for an internal successor, with some possible ones included for against.
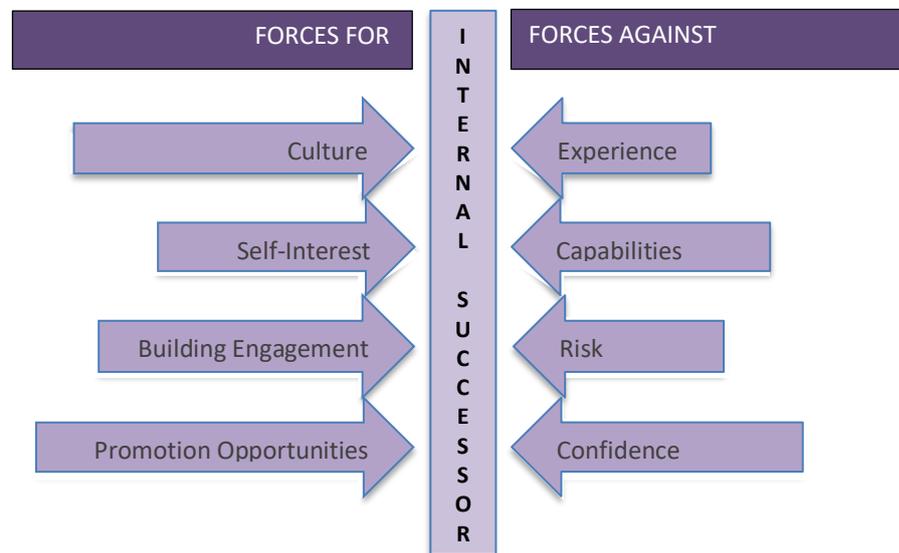
Fig. 19: Internal Successor Force-Field Analysis Example
Adapted from Lewin (1933)
(forces against are possible examples only)

Lewin's (1933) Field Theory argued that for the status quo to change there would be factors pressing for the change, and others against. It seemed reasonable to assume the same would be true of how individual Drivers expressed themselves. For example, the preference for promoting internally seemed to be in part culturally influenced, but this policy created further promotion opportunities too. Self-interest was probably a factor also, as one of the internal Participants conceded. However, if personal ambition was a factor, I recognised it might be difficult to assess how powerful a force for change it was compared to culture, and that it probably varied by each individual concerned.

I came to the perhaps obvious conclusion that the cultural lens through which our stakeholders looked at the Drivers was a significant moderating factor on whether they were moving the founder-leadership succession forward or backwards, and to what degree. However, as with much about founder-leadership succession, the number of factors at play made it possible to only to draw broad conclusions in this regard. However, of all the Drivers, culture was amongst the most significant because it had the potential to impact nearly every-other Driver.

5.4   Comparison to Existing Knowledge

After three iterations of the PAR cycle addressing the Research Question, I wanted to explore how our own research had supported or challenged the literature. I discussed above the overarching role of culture, which was not picked up on in the literature, and whilst the Participants' contributions reinforced many of the findings in the literature, there were also other differences.

5.4.1 Tangible-Resource Drivers

I did not directly explore tangible-resource drivers with the Participants, as they related mainly to ownership transitions or leadership transitions were there are greater financial consequences than is the case with HC-Co's. However, there was little to indicate that the findings of the literature would not apply to HC-Co in term of ownership-transition Drivers, risk appetite, and access to debt. However, the same was not true of intangible-resource Drivers.

5.4.2 Intangible-Resource Drivers

Whilst the Participants also reinforced the validity of many of the findings in the literature, there were some notable exceptions. The fact that we were seriously planning for our own leadership succession was inconsistent with the literature, but was also clearly specific to HC-Co. However, other factors were more generalisable. For example, the literature did not consider employees to be key stakeholders in the leadership-succession process, where our findings were clearly that they were. This did not appear to be for HC-Co specific reasons, but more that a successful leadership succession requires other to be prepared to follow their lead (Hollander, 1992). This Driver therefore seemed generalisable to other founder-leadership successions were the organisation had employees. The same was true for clients were the literature seemed to underplay their importance as stakeholders, whereas the Participants highlighted the reputational damage they could do. This may be explained by the greater power consumers have as a result of the proliferation of social media.

Another intangible Driver that received widespread coverage in the literature was the role of family in any leadership succession, and which was not relevant to HC-Co because there were no family members in consideration to take over the leadership. Whilst I explored whether the findings might be useful as an analogy for how pseudo-family members might behave, i.e. long-serving employees, the wider point seemed to be that there were many SME leadership successions that did not have a family dimension. 28% of SME's were not

family owned, and only 16% had a family member as the successor (Lomax et al., 2015). The literature therefore seemed to be neglecting this important area.

A further intangible Driver that seemed important to me was strategy. This received no meaningful coverage in the literature but seemed to me to be of the essence when it came to leadership successions. Given that the CEO would be responsible for interpreting and delivering on the company's strategy, the appointment of a CEO seemed a strategic event in itself. For example, Miller et al's (2003) highlighted that successors often radically changed the strategic direction of a company with often disastrous results, and I therefore felt this was an area that would benefit from greater focus and research.

5.4.3 Human-Resource Drivers

Save for the importance of employees and clients as stakeholders, discussed above, the Participants largely supported the findings of the literature. In particular, the importance of teamwork was underlined, and its various antecedents drawn out, such as perceived fairness, role clarity, as well as ensuring the successor was developed adequately. In fact, given that only the professional Participants would have had any experience of founder-leadership succession, I was impressed by how many of the Driver areas the Participants covered, especially as only one was covered by a PP alone.

5.5 PARTICIPANT CONTRIBUTIONS

Turning to the Participants' contributions, the table below shows which were covered in each iteration by each Participant type.

I concluded that perhaps my first-iteration questions were more leading than I had intended, or perhaps the issues raised in the literature review were more intuitive than I had thought they were. The areas they did not cover I found less surprising, such as Governance which, save for the Professional Participants, they would have had little insight into. Other areas, such as Succession Planning, they were likely to have assumed were covered already, and whilst they may have been personally concerned with some of the Drivers identified under Stakeholder Salience, they perhaps did not have the distance from them to see them as Drivers.

Whilst each of the Participants responded to all the questions, I was surprised that the Leadership Candidates' comments were only quoteworthy on five issues. Apart from my wife, the Leadership Candidates were the most senior and experienced employees in the Company, and I had anticipated they would therefore have the most to say. Whilst this is a somewhat arbitrary measure, and subject to my own bias in selecting quotes, I did wonder if this indicated the Leadership Candidates were holding back. As they were the

key winners or losers of the FLC, perhaps they were taking a wait-and-see approach, or possibly they felt the spotlight on them and were suffering from a form of stage-fright. I concluded this was something to watch out for in the next iteration. I was also surprised by the number of contributions from the Staff Participants who, because of possible nerves, I had expected to make the least contributions, particularly as I was only able to interview two of them. However, it was not just who had made contributions that surprised me, but what some of those contributions were.

Tangible-Resource Drivers	Iteration 1	Iteration 2	Iteration 3
Capital			
Dividend Policy			
Ownership-Transition Drivers			
Risk Appetite			
Access to Debt			
Intangible-Resource Drivers			
Succession Planning			
Planning Failures	MP, OP, PP, SP		
Firm vs Family Objectives			
Successor Selection			
Selection Criteria	LC, MP, OP, PP, SP		
Selection Decision		LC, PP, SP	
Insider vs Outsider	MP	LC, MP, SP	LC, MP
Performance Management			
Task Completion	MP		
Policies & Procedures	LC, MP		
Governance		LC, MP, SP	
Strategy		LC, OP, PP, SP	
Human-Resource Drivers			
Stakeholder Salience			
Founder	MP		
Successor			
Family			
Employee	MP, OP, SP	OP, MP, PP	
Client		MP, PP	
Founder-Successor Issues			
Relationship			
Letting Go	PP	LC, MP, OP, PP, SP	
Delegating		LC, MP, OP, SP, PP	
Workload	MP, OP, PP	LC, OP, SP	
Intimidation			
Over Dependence			LC, MP
Transfer of Power	MP, SP		
Successor Strategies			
Timing			
Successor Development			
Job Specification	MP, SP		
Capabilities Development	LC, MP, OP, PP		
Experience			
Transferring Knowledge	LC, MP, OP, SP	LC, MP, PP	
Teamwork	MP, SP	LC, MP, SP	
Managing Commitment			
Process Communications	MP, OP, PP		
Perceived Fairness	LC, SP	LC, OP, SP, PP	LC, MP
Satisfaction	MP, OP		
Founder Commitment	LC, MP, PP	LC, MP, PP	
Successor Commitment	MP		
Employee Commitment	MP, OP, SP	OP, MP, PP	LC, MP
Clients Commitment	MP, SP		
Bank Commitment	LC, OP, PP		
Outsider Commitment	MP, OP, PP		

Fig. 20: Working Analysis Framework – Phase Contributions

In the second iteration, the contributions of the Management Participant's and OP were broadly consistent in quantity with the first iteration, but the formerly shy Leadership Candidates were now the largest contributors, with the Professional Participants' and Staff Participants' contributions increasing markedly also. Whilst I recognised I should not read too-much into what was an arbitrary measure, which was also subject to my own bias in selecting quotes, these changes seemed interesting.

I had noted in the first iteration that I would look out for the quality and quantity of the Leadership Candidates' contributions, and had made no conscious intervention in this regard, but their contribution was up four-fold. Did they need the first iteration to settle their nerves, or was there something about the second iteration that played to their strengths? The first iteration asked broad questions to gather everyone's unvarnished views, whereas the second iteration asked specific questions about specific issues. I did wonder in the first iteration whether this particular group were looking for too-much meaning in the questions, whereas the specificity of this iteration's questions left less room for ambiguity, which perhaps let their greater experience and confidence shine through.

The Management Participants' and Owner Participant's contributions remained broadly consistent with iteration-one, but the Professional Participants' more-than doubled, and the Staff Participants' nearly doubled. I wondered if in both cases they felt better able to contribute when faced with more specific questions too. With all of the above, I also recognised that it was likely conversations would have been going on within each CAS, which would in turn influence the responses of the various Participants, save for the Professional Participants who almost certainly had no contact with the other Participants. I was also pleased to note that none of the CAS appeared to have modified their boundary rules (Holland, 2012) to exclude cooperation with my thesis; in fact all the Participants, save for one Staff Participant, remained engaged with, and enthusiastic about the process, despite the seventeen-month gap between iterations one and two.

During this gap I had kept the Participants informed that I was having challenges progressing with this thesis, and I was concerned as to what impact this might have on their contribution. However, they could see the parallel employee-ownership transition continuing uninterrupted, along with the development of the Leadership Candidates. I therefore believed they saw this delay as nothing more than technical challenges I was having personally, rather than as a lack of commitment to the founder-leadership succession process. In hindsight, I also wonder if the pause was beneficial as it allowed the Participants to take a longer-term view of the founder-leadership succession process than three, quick PAR iterations would have provided.

Notwithstanding this time delay, there were also some interesting differences as to where each group contributed. For example, I had expected the Leadership Candidates to be more

vocal on outsider-successor resistance, as this was a possible threat to one or all of them being appointed to the leadership roles, but they were silent; although I had previously raised the possibility that a Management Participant was voicing a 'warning' on their, or their own behalf. However, I also considered whether this was a recognition that they were in a process towards making them the new leaders, and which they felt was going well. Why would they feel threatened?

One area where the Staff Participants were less vocal was in regard to commitment, save for their own and the clients. This did not surprise me as they would naturally look to their own interests and, being a career that attracts people who are vocationally motivated, they would also want to make sure the people they cared about were looked after. Conversely, I found it easy to believe that they had assumed the commitment of the founders, as we had started the process, and the presumed successors, as they were going through the development process. It was also possible that this was an issue they paid little attention to as their roles were customer-facing rather than concerned with ensuring the foundations of the Company remained in place.

The rest of the areas were covered by most of the Participant groups, but I did wonder if there were some Company-wide contextual issues that were influencing Participants' responses. One obvious one was that the founder-leadership succession process was the subject of this thesis, which may have contributed to all classes of Participant commenting on the faith, possibly overconfidence, they had in the process,. Another was culture. There had been a number of comments, particularly in regard to appointing insider successors, to the effect that 'this is what the Company does', indicating that they did not see HC-Co as being just like any other company. There were other comments indicating Participants may also have a high level of trust in my wife and myself, and each other. If this was more than my bias towards seeing things that were flattering to me (Lakshman, 2008), I wondered whether a cultural dimension may be having a wider cultural influence on the Drivers and, if so, would this persist after our departure?

What became obvious in the forum was that the Leadership Candidates and, to a lesser extent, the Management Participants felt comfortable. They were used to sitting in meetings with me and each other and sharing their view openly. Typically, the Leadership Candidates would speak first, with the Management Participants adding their points next, but I failed in making the Staff Participant sufficiently comfortable, and which I discussed further in section 6.2.

Iteration	Areas Addressed	LC	MP	OP	PP	SP
One	26	5 (19%)	19 (73%)	10 (38%)	8 (31%)	9 (35%)
Two	16	13 (81%)	11 (69%)	6 (38%)	11 (69%)	9 (56%)
Three	5	5 (100%)	4 (80%)	N/A	N/A	0 (0%)

Fig. 21: Iteration Quotes by Source

Another issue raised earlier was whether the insider Participants were placing too-much confidence in my wife and me. A number of responses seemed to be strongly supportive of the decisions my wife and I had made to date, which appeared to be sincere, but which I recognised may also have had other motivations such as, caution about speaking truth to power, or that the Participants did not want to unsettle a process that had delivered decisions they were happy with. However, it also indicated the Participants may be putting too-much faith in us. For example, on a number of issues, the insider Participants seemed to have great faith that my wife and I had a plan to deal with it, whether it was financial risk, strategy, or successor selection. The Participants were also generally in favour of any decisions regarding our successors remaining with my wife and me rather than being put out to third parties. Further, a number of the Participants seemed to be of the opinion that my wife and I had a robust plan that we would deliver on, and that we had considered and mitigated all relevant risks.

Whilst confidence in fellow team members was an important part of team cohesion, and the fact that this matter was the subject of a thesis suggested more than casual consideration had been put into any planning, overreliance on individuals can clearly be problematic. If their planning or decision making was sub-optimal, issues may remain unaddressed, and if they were lost to the Company, they may leave a gap that was hard to fill. I therefore wanted to explore with the Participants whether putting too much faith in my wife and me was a Driver.

5.6 ACTION RESEARCHER LEARNING

Working through the PAR cycles was a particularly interesting experience for me as I was having to juggle a number of hats. I was the founder part of the leadership succession, and one of the two current owners where I frequently had to consider conflicts of interest with my other roles. I was the lead researcher, which meant I had a greater overview than the other Participants, and a more detailed knowledge of the literature. I was also a Participant, which meant often examining my own thinking and motivation as founder and owner. This role duality was often challenging and did lead me to a number of learning opportunities.

One example was I was frequently reflecting on my own challenges as an executive to transfer the necessary knowledge in order for my successor to be able to do undertake the role. I found it relatively easy to stand back and be objective about the performance of others, but here was a Driver that was my key responsibility, and which was not going smoothly. I found this less comfortable initially to find out my approach was intuitive rather than explicitly understood to me, but then found it a cathartic experience to look at myself in the third person. This enabled me to better see how I fitted in the overall picture, including where I may be helping or hindering the process. It also helped me to identify potential remedial actions for testing and reflecting upon.

I also found myself confronting my own bias. What I found was that this was not something I could easily switch off, and in many ways became compounded by the extra insights and thinking skills undertaking the research gave me. It also led to a form of impatience that people were not seeing things that were clearer to me, forgetting the time it had taken for me to see things this way. Trying to unwind this perspective to be better able to see through the eyes of my colleagues was therefore an ongoing issue for me, and which on a number of occasions led me to the humbling conclusion that my perspective was flawed.

I also became aware of the risk this more experienced perspective gave me. What became apparent in the discussions with the insider Participants was how much faith they were putting in my wife and me in regard to both the leadership and ownership transitions. Human nature is such that we tend to subconsciously use the evidence to support our own interests (Van Dijk et al., 2004). Being aware of this bias and guarding against therefore became more important given that my colleagues did not feel currently equal to challenging me in these two areas. Something I recognised was likely to change as their confidence and competence grew but may then undermine trust if they perceived I had acted improperly.

At the start I also anticipated superior access to some types of information through my position as founder, but inferior access to others, such as what people's unvarnished thoughts might be. I concluded my research believing this to be true but came to two further realisations. There was normally abductive evidence (Cunliffe and Eriksen, 2011) to suggest when people's expressed views were substantially different to their actual views, such as they were far more likely to follow through when there was a congruency between the two (Comfort et al., 2001). This was a gap that human nature meant would never be fully closed, such as with the preference for an insider successor, but it was a clue to focus on the issues that might cause the gap in the first place, such as a misalignment of goals or values (Sosik et al., 2009).

I was also particularly aware of the tension that existed between my two roles as Lead Researcher and founder. As Lead Researcher I was often reflecting on issues to do with the

founder-leadership succession, which involved me considering my own interests as founder against those of the other stakeholders. Peeling back the layers of self-selection bias (James, 2006) was both challenging and cathartic, although it is difficult to know how many layers may be left. I found it enlightening to proactively try and see what might be in my own 'unknown' window (Schein, 2009), as well as helping my colleagues to explore theirs when they were repeatedly failing to get the results they wanted. I also recognised a change in me that meant this tension between my academic and executive thinking would continue after this DBA was finished as it had now become a habit. Continuing to blend an academic approach with my professional practice was therefore bound to uncover further incongruencies in the way I went about things.

	Known to Self	Not Known to Self
Known to Others	Open	Blind
Not Known to Others	Hidden	Unknown
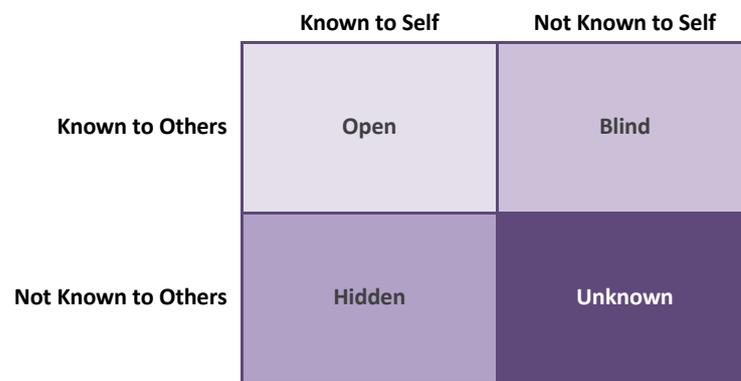
Fig. 22: Johari's Windows
Schein (2009)

6 CONCLUSIONS

6.1   INTRODUCTION

My conclusions chapters considered how effective my research approach had been in addressing the Research Question, what impact the whole DBA process had on my professional and organisation's practice, before concluding with what further research I considered might be helpful.

6.2   RESEARCH APPROACH & EFFECTIVENESS

The choice of PAR as a research approach was in some ways a natural evolution of the University of Liverpool's DBA process, which emphasised this particular approach in the early stages of study. However, as I argued in the Methodology section, I felt it was also the right approach to take at the start of the research phases, and which was also my opinion at the end; albeit I would have done some things differently.

In regard to effectiveness, Fetterman (2015) suggested ten factors that can help to assess this. In regard to whether it had brought about an improvement, the premise of the research was to understand the Research Question and how the Drivers of founder-leadership succession applied to HC-Co, which I felt we had made good progress towards. I also felt that the PAR approach had meaningfully promoted community ownership, both through the direct involvement of Participants, but also through their role as a conduit to and from their colleagues. This in turn ensured there was a democratic participation in the process. The Research Question itself was focused on a socially just cause, the preservation of the Company and the benefits it brought to various stakeholders, and it had promoted community knowledge about the Company too. I also felt the PAR process was rigorous in taking an evidenced-based approach, built organisational capacity through the development of PAR as a skill that could be applied in other areas, which in turn contributed to organizational learning. However, part of this organisational learning was how we might use PAR better in future.

For example, I had selected the Participants on the basis of achieving a fair representation from each of the services, and a number of different levels within the company (staff, managers, Leadership Candidates and my wife). In the one-on-one conversations I think this worked well, but not so in the forums. Once there was a hierarchy of people in the room, some voices were inevitably lost, and I discuss below some possible solutions.

As the Lead Researcher, I had taken the approach that it was my role to undertake the planning, observation, and reflection stages on my own, reserving the action stages for

working with the Participants. In reality, this included some reflection on the questions I had from the previous iteration with the Participants, but I was also aware that this meant we were potentially missing some useful insights. The answer was not obvious to me as some of the Participants would have found it very hard to engage with the academic language of many of the articles, and most would have struggled to find the time. Perhaps providing a clear-English summary might have been a useful contribution. I also wondered whether a discussion-board approach might have allowed them to join in with the planning, observation and reflection stages in a way that fitted in with their schedules and experience, whilst providing a wider perspective on the issues being considered, although this also had its own problems. In order to maximise the Participants' contributions, these were kept confidential to me as the Lead Researcher but would have had to be opened up to all Participants if they were to reflect on the detail of the conversations as part of the PAR process; rather than just some of the issues raised. Apart from reducing confidentiality, it might also have had the effect to reduce the quality of the contributions in the first place as Participants may have filtered more of what they said if they knew others would read it. Perhaps the solution would have been, in the same way that the iteration questions were a summary of the collective contributions of the Participants, to share an anonymised version of everything said for collective reflection. I felt I could only be sure by experimenting on further PAR projects.

6.3   PROFESSIONAL PRACTICE

Regarding my professional practice, there were a number of areas where I felt I had developed. For example, I recognised that the same triple-loop learning approach (Raelin, 2009) I recommended to the Leadership Candidates in order to improve their ability to think strategically was also impacting how I approached my work. Previously, I would apply single-loop feedback to ask whether the actions we were taking were effective in achieving the desired target and would only tend to resort to double-loop feedback when there was a problem, or the target was particularly novel. I did undertake triple-loop thinking as part of larger-scale strategic reviews, or when there was an existential challenge to the Company. However, I now found that I was far-more frequently proactively using a triple-loop approach to guide my own work and help me to coach others. I would ask questions in regard to whether the goal was still appropriate, were there any mediating factors such as access to resources, people factors such as misaligned goals or values, what might the unintended consequences of any action be, and whether there were any nuances as to how the action should be approached and monitored. These considerations would then influence my choice of theoretical approach, how the action was applied, and how much attention I paid to the process.
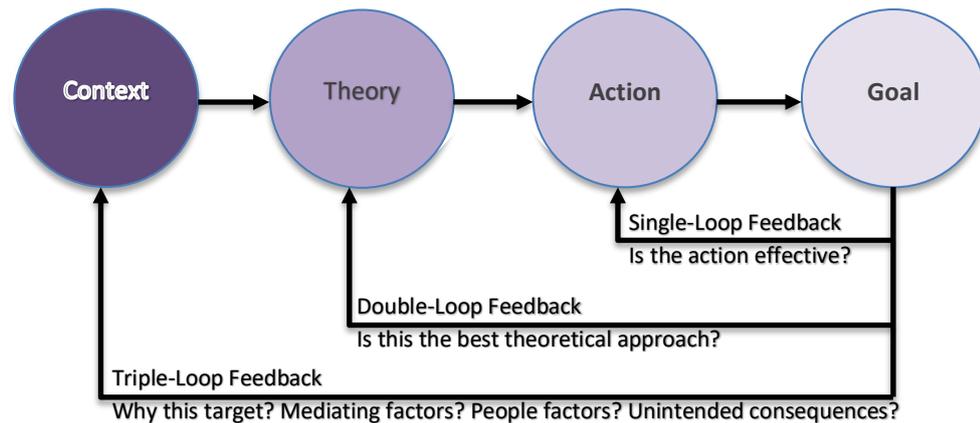
Fig. 23: Proactive Triple-Loop Feedback

Adapted from Raelin (2009)

I found this approach, combined with the whole DBA process, had also modified my mental model (Senge, 1992) of how organisations function, and in particular the role of culture and CAS. Previously I presumed that, when things did not go according to plan, there was often a social element at work (Fairhurst and Grant, 2010); I may have trodden on some sensibilities I was either unaware of or had forgotten about. However, I now saw this socially-constructed element as not being asleep until prodded, but happening all the time as part of the ever-changing culture of the Company, and that this culture was to a large part formed by the conversations that took place within the various CAS in and around the Company (Holland, 2012). The two insights I drew from this were the importance of taking Company culture seriously as a mediating factor that can kill or cure most initiatives, and also considering it prior to action, a pre-mortem (Tetlock and Gardner, 2016), rather than as part of a post-mortem when things were going wrong.

In terms of this research, I saw evidence that the Company's culture was mediating how a number of Drivers were playing out. For example, the game playing (Blumentritt et al., 2012) that might be expected amongst the Leadership Candidates was very mooted, and arguments for an internal successor amongst the Participants seemed to be more influenced by culture than self-interest.

6.4 ORGANISATIONAL PRACTICE

I next considered how the DBA process had impacted my organisation's practice from the perspectives of applying the PAR process in future, and what the key implications had been for HC-Co.

6.4.1 Application of PAR

Having gone through the PAR iterations, I grew to appreciate how powerful it was at dealing with complex problems, but my reflections above also indicated where improvements could be made.

As discussed in section 6.2, I planned to pay more attention to ensuring that all voices were heard. This may mean that any forum approach needed to bolster the numbers of more junior staff in the hope they collectively felt more able to speak out, but I recognised it may be necessary to explore other approaches to forum type meetings if this proved ineffective.

I would also consider how the whole of the PAR process could be made more democratic, which inevitably meant giving participants better access to the data; whether from the literature review or each-other's contributions. Access to the literature review data had its own challenges as academic knowledge tended to be presented in a form that non-academics find inaccessible but could perhaps be dealt with by way of plain-English summaries. However, giving better access to each-other's contributions raised questions of confidentiality. Perhaps this could be dealt with by lowering expectations in regard to what is confidential, but which may impact the quality of what people are prepared to share or use anonymised forms of sharing. I could see that both might have their challenges but, in the same way that PAR looks to find a solution through trial and error, I anticipated that subsequent PAR projects would provide further insights as to how any problems could be better overcome.

6.4.2 Implications for HC-Co

Notwithstanding that I could see ways to implement PAR projects more effectively in future, I felt this project had already had a positive impact on HC-Co, including revealing a number of areas in which to pursue further enquiries.

For example, when I had considered whether I would have problems letting go, I had seen myself as largely separate from the Company. However, the focus on culture had made me aware that, in this sense at least, it was very personal to me. I wanted the Company to reflect my values and had probably therefore put far greater emphasis into its culture than I had realised. My reflections on the various Drivers had also made me realise the role that culture played in how they impacted the founder-leadership succession, and quite how strong HC-Co's culture was. It was therefore a key area to understand better.

It also became clear towards the end of the research that, whilst the management team felt happy to challenge me on areas where they felt they had a degree of expertise, this was not the case in regard to founder-leadership succession, or the accompanying

employee-ownership transition. In part this was because these were subjects they knew little about, but also because they felt somewhat intimidated by the fact I was studying for a doctorate. This created two substantial risks to my mind: that they might never become expert in these two areas, meaning they would be forever dependent on my wife and me to understand the nuances of them, and; founder-leadership succession and the employee-ownership transition processes would be sub-optimal for not having the benefit of their full contributions. I felt this was therefore an important area to address more fully.

In regard to how optimal the founder-leadership succession could be, a key plank of our plan was for the Leadership Candidates to develop sufficiently to be able to take over the leadership, but what if one or all of them failed to cross the finishing line? It was possible that either their own confidence and competence thresholds were insufficient for them to feel happy, or some other key stakeholders' thresholds were not passed in this regard; such as my wife and mine, the staff's, or the bank's. I suspected the impact would vary depending on the circumstances. For example, where everyone agreed, including the Leadership Candidates, that they had been given every opportunity but it was not for them, there would be disappointment but the aftershocks were likely to be mitigated by the degree to which the process was perceived to be fair to everyone concerned (Ramos et al., 2014). However, where either the Leadership Candidates were not seen as being given a fair chance, or if there was a difference of opinion as to their readiness to take over, the aftershocks could be considerably greater. This therefore seemed to be a particularly important Driver to monitor to ensure everyone's goals and expectations remained closely aligned.

Further, I now had a far better understanding of when my wife and I might help or hinder the founder-leadership succession too, but I also recognised that self-selection bias (James, 2006) meant we were at risk of viewing these issues as 'dealt with'. I therefore believed this would remain a risk until our colleagues had developed their own competence and confidence in the founder-leadership succession process and felt empowered to speak out. My conclusion was that Drivers that related to the founder should receive particular attention to uncover any bias on our part that may emerge, or groupthink as a whole (Chevalier & Buckles, 2013).

Finally, the major implication for HC-Co was that this thesis had highlighted a number of Drivers that were likely to impact the founder-leadership succession, and for which plans therefore needed to be made as to how these should be monitored and managed. A number already were being put into action.

6.5 FURTHER RESEARCH

The research undertaken as part of this thesis was in specific regard to the Drivers of leadership succession and how they were relevant to HC-Co. As part of the research a large number of potential Drivers were identified from both the literature and the Participatory Action Research process which highlighted a number of gaps, discussed in Comparison to Existing Knowledge, above:

> Further research would be helpful to identify to what extent these inconsistencies were specific to HC-Co, or whether they were generalisable to other organisations. For example, were employees stakeholders in leadership successions generally, or was this this idiosyncratic to HC-Co.

> Another issue raised as part of the research was to what extent did culture mitigate the way leadership-succession Drivers expressed themselves. By its nature, corporate culture is unique to each organisation, but it would be helpful to better understand both the mechanisms by which culture expressed its influence and, given the close connection between founders and their companies' cultures, to what extent the culture may change as part of the succession process.

> The orientation of much of the literature was towards family leadership successions, whereas 72% of SME's were family owned and controlled in the first generation, but only 16% were controlled by a family member if they survived to the second generation (Lomax et al., 2015). A great deal of successors were therefore not family members, and further specific research that. Addressed non-family successions, whether the company was family owned or not, would be helpful to the significant number of companies in this category.

6.6 FINAL REFLECTIONS

There were three final thoughts I reached, the first being to do with the PAR process, the second to do with the leadership and ownership transition, and the third in regard to the Participants and their colleagues.

My overall conclusion was that the PAR process was a powerful way to address complex challenges, and whilst I had learnt a great deal through the iterations of this PAR process, I recognised that it was in itself an iteration in my wider PAR learning experience. The lessons I learned from this experience I would take forward to my next PAR projects, and I would in turn learn from them.

This thesis's focus was to specifically address the Research Question, which I felt we had made significant progress towards understanding the challenge ahead, but I was also left

with a strong sense of how connected this and the employee-ownership transition were. Whilst it was possible to compartmentalise the founder-leadership succession for this research, I suspected my colleagues largely saw it and the employee-ownership transition as one-and-the same, and it would therefore be difficult to achieve success in one without the other.

In the same way that there was a strong connection between the founder-leadership succession and employee-ownership transition, the same was also true of the insider Participants and their work colleagues. Whilst this had been by design, the Participants were meant to be representative, they not only consistently spoke up for themselves and their colleagues, but those colleagues also maintained an interest in this research throughout. I started the thesis by acknowledging the invaluable contribution that all the Participants made, and whilst I felt I should reaffirm my gratitude to the Participants, both internal and external, I wanted to also recognise and thank all my colleagues for not only their indirect contributions to this thesis, but to the founder-leadership succession and employee-ownership transition also.

THE END ☺

7 APPENDICES

7.1 ACRONYMS AND ABBREVIATIONS

CEO	Chief Executive Officer
Drivers	Any factor that may impact a founder-leadership succession, whether positively or negatively
HC-Co	A pseudonym for the company which is the subject of the thesis
Lead Researcher	Nick Bruce who, with his wife, owns HC-Co
MP	Management Participant
OP	Owner Participant
PAR	Participatory Action Research
Participants	Participant researchers (see front page)
PP	Professional Participant
SME	Small to Medium-Sized Enterprises.
SP	Staff Participant
Supervisor	Dr. Meera Sarma, who was appointed by the University of Liverpool to oversee this research
WAF	Working Analysis Framework

7.2 PARTICIPANT DOCUMENTS

7.2.1 Invitation Email to Participants

Dear [Name]

Succession planning is an important issue for all companies and particularly when it comes to replacing the founders. Whilst there are no immediate plans for this to happen, research shows that this can be a vulnerable time for companies. Planning is therefore required to ensure there is an effective transition plan for when the time comes. This question is being considered now because preparation time is likely to be needed to get the future leader, or leaders, and the company ready.

In order for the transition plan to be as robust as possible it is important that key groups of people contribute to this planning process. As a member of one of those groups, this email is to invite you to take part in a study to explore this issue. Whilst your participation is entirely voluntary, it is hoped you will take part for the valuable contribution your perspective is likely to bring. To ensure you have the necessary information to make an informed decision in this regard I have attached a Participants Information Sheet.

If you have any questions please ask, but otherwise I very much hope you will feel able to contribute to the study in which case you will be asked to sign the attached Participant Consent Form.

When you have had time to consider the above and ask any questions, would you please let me know whether or not you would like to take part by responding to this email. It would be helpful to have your response by [DATE] so other potential participants can be approached in good time if you decide not to take part.

Kind regards

Nick

7.2.2 Participant Information Sheet

Title of Study

Making a success of succession: Mitigating the inherent risks SME's face when replacing their founders[1]

Version number and date: Version 1 dated 10th February 2016

Invitation paragraph

This document is intended to help you make an informed decision in regard to an invitation for you to take part in a study that focuses on the future leadership of [HC-Co]. It is being done under the supervision of the University of Liverpool as part of a management degree Nick Bruce, a director and co-owner of [HC-Co], is undertaking. This Participants Information Sheet sets out what this study hopes to achieve, who is being invited to take part and other details as to how the study will be conducted. Please take the time to read it. Should you have any questions please address them to Nick either by telephone (020 3405 2120) or email (nick.bruce@online.liverpool.ac.uk) who will be happy to respond.

Whilst Nick has an executive role within [HC-Co] and this specifically addressed his succession in this role, this research is being carried out in his role as a student at the University of Liverpool. Whilst he therefore has an interest in the outcome of this research, there are no known conflicts of interest.

What is the purpose of the study

99% of the UK economy is made up of small to medium sized enterprises, more normally known as SME's, with the majority of these being family owned. Unfortunately, 70% of these firms will typically go out of business whilst trying to transition from the original owners to the next generation. One approach [HC-Co] is taking to mitigate this risk is to start transitioning to employee ownership, but the issue of who will lead the company once [the owners] leave has yet to be resolved. The purpose of this study is therefore to identify how best to address this.

Why have I been chosen to take part

There are a number of people who are likely to have valuable contributions to make to this research, including potential successors, non-successor managers, employees and key professionals. You may have been chosen as part of a larger group where there are too

---

[1] The title of the thesis changed during the research phases.

many potential participants from any one group to interview personally, or you may have a unique perspective that it is important the research addresses.

Do I have to take part

No one has to take part and there will be absolutely no adverse consequences for anyone who chooses not to. Choosing to take part will involve completing questionnaires and one-to-one interviews on a strictly confidential basis, and as part of focus groups where you will be asked to respect the confidentiality of each participant's contribution. Whilst it is hoped you will take part, to do so is entirely voluntary.

If you do choose to take part, you will be asked to sign a consent form to this effect.

What will happen if I take part

The study will follow a number of phases starting with Nick undertaking a review of academic articles addressing how other organisations have approached this challenge, what problems they came across and how they resolved them. Internal [HC-Co] documents that may have a bearing on the transition challenge may also be reviewed.

This will then form the basis for discussions with focus groups and individual participants along with surveys to try to identify how best this knowledge can be applied to [HC-Co] own unique situation. Nick will conduct all these personally.

This will then lead to a plan that addresses what the best timing is and how the [HC-Co] team might implement the leadership transition when the time comes.

To ensure your views remain confidential the final report will not cite any names and will remove any other details that may give away the identity of the person. However, you may opt to have your contribution recognised by being listed as a contributor to the research.

It is difficult to give an exact estimate of how much of your time this process may take as it will in part depend on which group you are chosen from, and the direction any interviews or focus groups take. For external participants the involvement is likely to be limited to two or three interviews, and for internal participants a similar number of interviews supplemented by focus groups and questionnaires. Each session is likely to take between thirty to ninety minutes of your time.

Expenses and/or payments

As your contribution would voluntary and to maintain the integrity of the research, no payments will be made for your contribution. If you are an employee of [HC-Co] interviews and focus groups may take place whilst you are at work when you will be being paid, but no payments will be made for any contributions made outside of your working hours.

Are there any benefits to taking part

Everyone being consulted has an interest in the success of [HC-Co], whether as an employee, customer or supplier. It is hoped that, by taking part, you will be contributing to the future success of [HC-Co] by helping to form a robust succession plan. You might also find it an interesting process through learning more about how others have approached this challenge, and directly contributing to how [HC-Co] will approach this process.

What if I am unhappy or there is a problem

Any concerns you may have with taking part can be put to Nick. If he is unable to resolve them or for any reason, or you feel uncomfortable discussing the matter with him, you may contact the University of Liverpool directly using the following details:

Call (USA) 001-612-312-1210 or email liverpoolethics@ohecampus.com

Will your participation be kept confidential

As specified above, your views will be kept confidential but the fact you are participating may be evident to others, such as co-focus group participants, and you may be observed having conversations with Nick if they take part on company premises. If you are concerned about this, arrangements will be made for interviews to be conducted somewhere more private, and taking part in focus groups will be discretionary. Any physical data gathered as part of this study will be kept in a locked cabinet, and any electronic data will be secured through encryption and two-stage access verification.

However, as the outcome of the process will be a joint effort by all concerned you may wish to be acknowledged for your contribution. Anyone taking part will therefore have the option to have his or her name added as a contributor to the final report.

What will happen as a result of the study

There are two primary anticipated outcomes to this study being a report that will set out an action plan to manage the leadership succession process, including identifying the appropriate timing. The combination of academic articles on founder succession and the data arising from discussions with, and inputs from all the participants will be the principal foundation to developing this action plan. The report that follows will also form the final submission to the University of Liverpool in regard to Nick being considered for a Doctorate of Business Administration.

What will happen if I want to stop taking part

Participants may withdraw from the study at any time without consequence. You may also ask that any data or views you have contributed to the study be destroyed, and any that have been contributed as part of a group process, such as focus groups, will be disregarded by the study.

Who you can contact if you have further questions

Please contact Nick on 020 3405 2120 or email him at nick.bruce@online.liverpool.ac.uk

7.2.3 Participant Informed Consent Form
Research Project

Making a Success of Succession: Mitigating the inherent risks SME's face when replacing their founders

Researchers

Nick Bruce (Student), Dr David Higgins (Supervisor)

Please initial box

I confirm that I have read and have understood the information sheet dated 10th February 2016 for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, and without my rights being affected. In addition, should I not wish to answer any particular question or questions, I am free to decline.

I understand that, under the Data Protection Act, I can at any time ask for access to the information I provide and request for the destruction of that information if I wish, prior to anonymisation.

I give permission for members of the research team to have access to my anonymised responses.

The methodology used in this research is Participatory Action Research, which is a collaborative process between the student researcher and participants. No participants' name will be linked with the research materials, and you will not be identified or identifiable in the report or the reports that result from the research. However, you may opt to have your contribution acknowledge as a contributor by ticking the box below. This consent may be withdrawn at any time up until the publication of the report.

I agree for the data collected from me to be used in relevant future research.

I agree to take part in the above study.

Please initial this box if you are happy for any meetings and discussions you have as a participant in this study to be electronically recorded to aid subsequent consideration by the Researchers. You will still be able to take part in the study even if you prefer not to have these meeting and discussions recorded. You may change this consent at any time.

Please initial this box if you would like your name to appear in the final report as a contributor; you may change this consent at any time.

Participant's Name   Date   Signature

_____   _____   _____

Student Researcher's Name   Date   Signature

_____   _____   _____

7.3   EMPLOYEE-OWNERSHIP TRANSITION

After two years of consultation, the Company entered an employee-ownership process on 1st June 2014. By working harder and smarter, it was anticipated the staff would be able to generate additional profits, half of which would go towards 'earning' them half the Company based on an inflation adjusted 2014 valuation. This was to be done in two parts: first the trading side of HC-Co; and then the property side. The first part was scheduled to complete in ten years and was on target at the time of writing.

7.4 PAR ITERATION QUESTIONS

7.4.1 First-Iteration Questions Script

Introduction

This is conversation one of our research so I want to start by giving you some context for the conversations, so you know what to expect. It's all about making a success of leadership succession.

The Company is approaching a crossroads where the leadership baton will be passed. However, 70% of companies drop the baton when they're doing this and fail. We want to make sure that we are part of the 30% that succeed. This first conversation is to capture your unvarnished thoughts in this regard. We're then going to have a second conversation in a few weeks to look at the academic research that has been done on the subject and discuss how it might apply to us. The third conversation will be about how we can bring it all together.

The whole process is confidential. Nothing you say will be shared with anyone else save possibly my DBA supervisor in Liverpool. Anything that you do say will only be used in anonymised forms that can't be traced back to you. People who haven't gone through the process may be interested to learn about it. By all means discuss the process with them. However, please don't discuss your input as we are trying to capture people's individual input rather than a collective one.

Finally, this is a general conversation rather than an interview. Therefore, if you want to ask questions please do. I have some questions to ask of a general nature to get the conversation going, but we can take the conversation wherever we like.

Questions:

  i.   What does leadership succession or, to put it another way, what does appointing a new leader or leadership team mean to you both generally and in regard to the Company?

  ii.   What do you see as the key objectives, or what are those things we need to achieve in order for the process to be successful?

  iii. What are the stumbling blocks we should try and avoid? In other words, what might go wrong?

  iv.   Are there opportunities that may be created that we should take advantage of?

  v.   What skills or capabilities should the new leader or leadership team have?

  vi.   Who else do we need to consider and what are their needs during this process?

7.4.2 Second-Iteration Questions Script

Questions marked with an * were not put to outsider Participants as they would have no knowledge of the issue raised.

Introduction

This conversation is on the same basis as the first one and is covered by the same confidentiality agreement. Everything remains private. I am recording the conversation to help my subsequent analysis, but this too will remain private. So please feel free to speak your mind.

You may find that a number of these questions are outside your immediate comfort zone, but which are being asked because they are important to the leadership succession. Bearing in mind that these are being asked in confidence and under the cover of the University of Liverpool's code of ethics, I hope you will feel able to answer candidly, particularly where they relate to me. I promise there will be no adverse consequences to doing so, and potentially some very helpful ones.

Questions:

i.   A key step in any founder leadership succession is the founder's ability to let go. I have recognised that, for me, a key factor is knowing I was handing control to a 'safe pair of hands'. However, this is rather vague. What do you feel qualifies someone or a team as a safe pair of hands in this regard?

ii.   Another risk is the founder not letting go enough and becoming a back-seat driver. This is often a factor when post-succession companies fail. In raising this I recognise it may be a difficult issue for some Participants to address. They would only be human if they were reluctant to speak out, but to hold back risks the Company's failure. With this in mind, I hope you will feel free to share any concerns or observations you may have in this regard.

iii. Another potentially difficult but important question relates to the founder's ability to delegate. The literature suggests this may not happen effectively when they are perfectionists, leading to a failed succession. How much of an issue do you think this is within our leadership succession?

iv.   The company-founder's commitment is identified as a major Driver in the literature, but was only commented on by a few Participants, although one thought it was important throughout the whole process. What are your thoughts in regard to this issue?

v.   Much of the research focused on the behaviour of family members and, whilst our Company is currently family owned, there are no other family members to

consider in regard to leadership succession. My question therefore is should this research be ignored or is it relevant for us too? In other words, are we seeing the actions cited in the literature from family members amongst our colleagues in regard to the leadership succession? Examples of how families can behave include:

vi.   Giving and withholding support for the successor/s, either covertly or overtly, based on whether:

vii.   They got a 'fair deal' personally;

viii. They had clarity over roles and responsibilities;

ix.   Personal likes and animosities;

x.   Forming self-interest groups;

xi.   Potential successor candidates not stepping forward or giving up through lack of support, but also;

xii.   Family members disagreeing in private but keeping a uniform voice in public.

xiii. The literature review did not put forward any arguments for clients being considered key stakeholders, but a number of the Participants did. My instinct is that they were rightly highlighting the moral responsibility the Company has to its clients, but my conclusion was that, in order to be a Driver, clients either had to be able to significantly influence or prevent the leadership succession process. What are your thoughts?

xiv.   A number of Participants also identified the staff as key stakeholders, whereas the literature did not. Do they hold a similar status to clients where the Company perhaps has a moral responsibility, but they have insufficient power to meaningfully prevent or change the succession plan, or do you have another view?

xv.   A number of groups were identified by some of the Participants as being important to keep informed, such as clients, families and staff. Who do you feel should be kept informed, what should they be told, when and why?

xvi.   *Teamwork was identified in the literature as being an important Driver to leadership succession, but a number of responses by the Participants seemed to question how well the senior management team were achieving this. What are your thoughts?

xvii. A major reason for post-succession companies failing was that control was handed to a successor who was either not yet ready, or who was not up to the

job. To overcome this some companies turned to an outsider to take over the reins, either as a seat-warmer for an insider, or on a permanent basis. However, only one Participant made any comment at all in regard to outsiders. What are your thoughts?

xviii.   *A further potentially important Driver raised by the Participants, but not in the literature review, was workload. Implicitly, preparing for a new role takes time and the concern seemed to be that already busy leadership candidates' were struggling to find the time for this too. What are your thoughts?

xix.   I had presumed that the decision as to who would be the successor would be made by my wife and me after consultation with other stakeholders. However, the literature review highlighted that this risked leading to a poor choice of successor. What are your thoughts and recommendations?

xx.   The literature review picked up a number of financial risks to companies going through a leadership succession, including the possibility of a downturn in performance and that lenders may be reluctant to extend more debt, or may want existing debt repaid. However, these risks were not focused on by the Participants, and I therefore wanted to explore further whether you felt they were drivers for us?

xxi.   The question of transferring tacit knowledge from founder to successor is underlined in the literature review but received only passing comment by the Participants. What are your thoughts about this?

xxii.   The literature review identified a number of potential constraints happening at the time of a succession, including: potential additional governance restrictions; changes to bank, client and supplier confidence, and; tensions between passive and active shareholders. What are your thoughts in regard to our company?

xxiii.   Finally, there was very little input from either the literature review or the Participants in regard to strategy, which is normally considered an essential Driver for companies whatever else might be happening. What are your thoughts?

7.4.3 Third-Iteration Questions Script

Introduction

This conversation is on the same basis as the first two, save it is as a forum rather than one-on-one conversations. It also only includes the internal Participants as I felt everyone would feel more comfortable not talking in front of outsiders.

It is covered by the same confidentiality agreement which means that everything remains private, but this time to everyone taking part in the form. Please do not repeat anything that is said outside of this forum.

As before, I am recording the conversation to help my subsequent analysis, and this too will remain private. However, because this is a forum, there are far more opportunities for people to talk over each other, which would make my analysis very difficult. Could we therefore please make sure we speak one at a time, and ideally signal you would like to speak so I can acknowledge you by name, which will make understanding who said what very much easier.

This conversation is also covered by the University of Liverpool's code of ethics, so I hope you will continue to feel able to answer candidly. Again, I promise there will be no adverse consequences to doing so, and potentially some very helpful ones.

Finally, I am going to project each question on the wall to give people the best chance of understanding what I am asking, but please feel free to ask clarifying questions if needed.

Questions:

    i.   All of the internal Participants showed a strong preference for internal candidates to take over the leadership. I wondered if this may be because of the opportunities this provided for further internal promotions, but there were also a number of comments made that suggested it may be for cultural reasons; 'promoting internally is what the Company does'. However, others speculated that it would be very difficult for an outsider to succeed. I therefore wanted to understand more about what the Participants felt in regard to this, and under what circumstances, if any, an outsider would be tolerated?

    ii.   All the Participants were generally supportive of the decisions that had been made to date, whether in regard to risk assessment, successor selection, or transition planning. Whilst on one level this lack of criticism is encouraging, on other levels it gives me cause for reflection:

- Perhaps the Participants did not feel able to state their candid opinions;

- Or did not want to risk rocking the boat of a process they felt happy with;

- Or were simply putting too-much faith into [your wife's] and my planning, which may have implications for the robustness of any succession plan or mean the future leaders had not developed their critical thinking skills.

What are your thoughts?

iii. All the Participants' responses indicated a lack of game playing within the Company. In other words, people seemed not to be acting in a selfish way, but for the greater good instead. I wondered if this was because to act this way was now part of the Company's culture or might just be because my wife and I were around to act as referee, in which case the Company may become difficult for any successor to manage.

What are your thoughts?

iv. To date the staff have been largely supportive of the leadership succession process, but most of the Participants considered that they could disrupt this process if they wanted to.

What issues do you feel might lead them to do this?

v. At the moment, those who get paid by the Company do so principally because of the work they do, but my wife and I also receive dividends as shareholders. A comment made in jest by one of the Participants hinted that our continuing to take money once we are no longer working may not be considered fair.

Do you think this is a potential issue?

7.5 Primary Critical Literature Review Articles

Title, Journal, Rating and Citations		
Author	**Year**	**Focus**
Game theory and family business succession: An introduction – *Family Business Review* - 3 - 58		
Blumentritt, Mathews, & Marchisio	**2012**	Stakeholders trade to achieve their objectives.
Family business succession: Suggestions for future research – *Family Business Review* - 3 - 440		
Brockhaus	**2004**	Lists issues needing more research.
Making succession a success: Perspectives from Canadian small and medium-sized enterprises – *Journal of Small Business Management* - 3 - 102		
Bruce & Picard	**2006**	Lack of preparation, and typically technical-focus when done.
The courage to choose! Primogeniture and leadership succession in family firms – *Strategic Management Journal* – 4* - 8		
Calabrò et al.	**2018**	Socio-economic wealth impact on successor choice.
The succession process from a resource- and knowledge-based view of the family firm – *Family Business Review* - 3 - 942		
Cabrera-Suarez et al.	**2001**	Tacit knowledge hard to transfer.
Succession as a sociopolitical process: Internal impediments to outsider selection – *Academy of Management Journal* - 4* - 541		
Cannella Jr & Lubatkin	**1993**	Socio-economic wealth impact on successor choice.
Successor team dynamics in family firms – *Family Business Review* - 3 – 16		
Cater et al.	**2016**	Conflicts occur for both substantive and emotional reasons.
Succession narratives in family business: The case of Alessi – *Entrepreneurship, Theory and Practice* - 4 - 360		
Dalpiaz et al.	**2014**	Succession narratives tend to focus on succession strategy, family identity, and successor identity.
Examining family firm succession from a social exchange perspective: A multiphase, multistakeholder review – *Family Business Review* - 3 - 101		
Daspit et al.	**2016**	Generalised communications typically more effective than restrictive.
Exit strategies in family firms: How socioemotional wealth drives the threshold of performance – *Entrepreneurship, Theory and Practice* - 4 - 94		
De Tienne & Chirico	**2013**	Key followed focus on stewardship, financial reward, and cessation.
Passing the baton: The importance of sequence, timing, technique and communication in executive succession – *Journal of Business Venturing* - 4 - 449		
Dyck et al.	**2002**	Relay race as an analogy for succession.
Motives and outcomes in family business succession planning – *Entrepreneurship, Theory and Practice* - 4 - 67		

Gilding et al.	2015	Effect of motives of generational continuity and family harmony on successions.

Succession in family business: A review of the research – *Family Business Review* - 3 - 924

Handler	1994	Characteristics of successful successions.

Succession in family firms: The problem of resistance - *Family Business Review* - 3 - 387

Handler & Kram	1988	Resistance to succession can be expressed at individual, group, organisational and environmental levels.

Firm performance and managerial succession in family managed firms – *Journal of Business Finance & Accounting* - 3 - 81

Hillier & McColgan	2009	Poor performance is less likely to lead to a family CEO being dismissed.

The nature of reciprocity in family firm succession – *International Small Business Journal* - 3 - 4

Janjuha-Jivraj & Spence	2009	Traditional theories of reciprocity inadequate for family successions.

Influence of family relationships on succession planning and training: The importance of mediating factors – *Family Business Review* - 3 - 383

Lansberg & Astrachan	1994	Impact of family cohesion and adaptability on successions.

The weakness of strong ties: Sampling bias, social ties, and nepotism in family business succession – *Leadership Quarterly* - 4 - 22

Liu et al.	2015	Nepotism can lead to sub-optimal succession choices.

Management succession in the family business – *Journal of Small Business Management* - 3 - 377

Longenecker & Schoen	1978	Seven stages of successor preparation.

Factors preventing intra family succession – *Family Business Review* - 3 - 474

De Massis et al.	2008	Factors preventing successful successions.

Communication traps: Applying Game Theory to succession in family firms – *Family Business Review* – 3 - 41

Michael-Tsabari & Weiss	2015	Reasons for poor founder-successor communications.

Lost in time: Intergenerational succession, change, and failure in family business – *Journal of Business Venturing* - 4 - 705

Miller et al.	2003	Organisational history's impact on successors.

Family business succession and its impact on financial structure and performance – *Family Business Review* - 3 - 217

Molly et al.	2010	Succession impact on debt, growth and profitability.

Succession planning in SME's: An empirical analysis – *International Small Business Journal* - 3 - 122

Motwani et al.	2006	Correlation of firm size to succession planning.
Paternalistic leadership in family firms: Types and implications for intergenerational succession – *Journal of Family Business Strategy* - 2 - 44		
Mussolino & Calabrò	2014	Impact of founder paternalism on successor.
An entrepreneurial process perspective on succession in family firms – *Small Business Economics* - 3 - 98		
Nordqvist et al.	2013	Founder and successor requirements to be entrepreneurial.
CEO succession, strategic change, and post-succession performance: A meta-analysis – *Leadership Quarterly* - 4 - 10		
Schepker et al.	2017	Cost of leadership succession.
Left in the dark: Family successors' requirement profiles in the family business succession process – *Journal of Family Business Strategy* - 3 - 30		
Schlepphorst & Moog	2014	Successor requirements.
Determinants of initial satisfaction with the succession process in family firms: A conceptual model – *Entrepreneurship, Theory and Practice* – 4 - 485		
Sharma et al.	2001	Drivers of succession satisfaction.
Structuring family business succession: An analysis of the future leader's decision making – *Entrepreneurship, Theory and Practice* - 4 - 218		
Shepherd & Zacharakis	2000	Impact of financial and behavioural sunk costs on successor commitment.
Management succession and financial performance of family controlled firm*s* – *Journal of Corporate Finance* - 4 - 373		
Smith & Amoako-Adu	1999	Impact on valuation of family and non-family successors.
How feedback about leadership potential impacts ambition, organizational commitment, and performance –*Leadership Quarterly* - 4 - 0		
Steffens et al.	2018	Effect of feedback.
Intergenerational ownership succession: Shifting the focus from outcome measurements to preparatory requirements – *Journal of Family Business Strategy* 3 - 14		
Sund et al.	2015	Relationship between ownership and leadership succession

8 REFERENCES

Anderson, R. C., Mansi, S. A. and Reeb, D. M. (2003) 'Founding family ownership and the agency cost of debt', *Journal of Financial Economics*, vol. 68, pp. 263–285 [Online]. DOI: 10.1016/S0304-405X(03)00067-9.

Azoulay, P., Fons-Rosen, C. and Zivin, J. S. G. (2019) 'Does science advance one funeral at a time?', *American Economic Review*, vol. 109, no. 8, pp. 2889–2920.

Barge, J. K. and Oliver, C. (2003) 'Working with appreciation in managerial practice', *Academy of Management Review*, vol. 28, no. 1, pp. 124–142 [Online]. DOI: 10.5465/AMR.2003.8925244.

Barney, J. (1991) 'Firm resources and sustained competitive advantage.pdf', *Journal of Management*, vol. 17, no. 1 [Online]. Available at https://journals-sagepub-com.liverpool.idm.oclc.org/doi/pdf/10.1177/014920639101700108.

Barry, B. (1975) 'The development of organisation structure in family firm', *Journal of General Management*, vol. 3, no. 1, pp. 42–60.

Bennedsen, M., Nielsen, K. M., Perez-Gonzalez, F. and Wolfenzon, D. (2007) 'Inside the family firm: The role of families in succession decisions and performance', *The Quarterly Journal of Economics*, no. May, pp. 647–691 [Online]. Available at https://eds-a-ebscohost-com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=2&sid=7ceab6f3-6490-4226-b208-07a99fb73560%40sdc-v-sessmgr01.

Bjuggren, P.-O. and Sund, L.-G. (2014) 'A contractual perspective on succession in family firms: a stakeholder view', *European Journal of Law and Economics*, vol. 38, no. 2, pp. 211–225 [Online]. DOI: 10.1007/s10657-012-9331-6.

Blanco-Mazagatos, V., Quevedo-Puente, E. De and Castrillo, L. A. (2007) 'The trade-off between financial resources and agency costs in the family business: An exploratory study', *Family Business Review*, vol. XX, no. 3.

Blumentritt, T., Mathews, T. and Marchisio, G. (2012) 'Game Theory and family business succession: An introduction', *Family Business Review*, vol. 26, no. 1, pp. 51–67 [Online]. DOI: 10.1177/0894486512447811.

Brockhaus, R. . (2004) 'Family business succession: Suggestions for future research', *Family Business Review*, vol. 17, no. 2, pp. 165–177 [Online]. DOI: 10.1111/j.1741-6248.2004.00011.x.

Bruce, D. and Picard, D. (2006) 'Making succession a success: Perspectives from Canadian small and medium-sized enterprises', *Journal of Small Business Management*, vol. 44, no. 2, pp. 306–309 [Online]. DOI: 10.1111/j.1540-627X.2006.00171.x.

Bryman, A. (2012) *Social research methods*, 4th edn, Oxford, Oxford University Press.

Cabrera-Suarez, K., Saa-Perez, P. and Garcia-Almeida, D. (2001) 'The succession process from a resource-and knowledge-based view of the family firm', *Family Business Review*, vol. 14, no. 1, pp. 37–48 [Online]. DOI: 10.1111/j.1741-6248.2001.00037.x.

Cadieux, L. (2007) 'Succession in small and medium-sized family businesses: Toward a typology of predecessor roles during and after instatement of the successor', *Family Business Review*, vol. XX, no. 2, pp. 95–109 [Online]. Available at https://eds-a-ebscohost-com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=2&sid=78009ba1-724a-414e-b35a-bfd997e6e11e%40sessionmgr4007.

Calabrò, A., Minichilli, A., Amore, M. D. and Brogi, M. (2018) 'The courage to choose! Primogeniture and leadership succession in family firms', *Strategic Management Journal*, vol. 39, no. 7, pp. 2014–2035 [Online]. DOI: 10.1002/smj.2760.

Cannella Jr., A. A. and Lubatkin, M. (1993) 'Succession as a sociopolitical process: Internal impediments to outsider selection', *Academy of Management Journal*, vol. 36, no. 4, p. 763 [Online]. Available at http://eds.b.ebscohost.com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=7&sid=2455784d-c620-4a64-83be-7a1772d1cfc6@sessionmgr114&hid=121.

Capezuti, E., Boltz, M., Renz, S., Hoffman, D. and Norman, R. G. (2006) 'Nursing home involuntary relocation: clinical outcomes and perceptions of residents and families', *Journal of the American Medical Directors Association*, vol. 7, no. 8, pp. 486–92 [Online]. DOI: 10.1016/j.jamda.2006.02.011.

Carroll, G. R. (1984) 'Dynamics of publisher succession in newspaper organizations', *Administrative Science Quarterly*, vol. 29, no. 1, p. 93 [Online]. DOI: 10.2307/2393082.

Casillas, J. C., Moreno, A. M. and Barbero, J. L. (2010) 'A configurational approach of the relationship between entrepreneurial orientation and growth of family firms', *Family Business Review*, vol. 23, no. 1, pp. 27–44 [Online]. DOI: 10.1177/0894486509345159.

Castle, N. G. (2000) 'Relocation of the elderly', *Medical Care Research And Review*, vol. 58, no. 3, pp. 291–333 [Online]. DOI: 10.1177/107755870105800302.

Cater, J. J., Kidwell, R. E. and Camp, K. M. (2016) 'Successor team dynamics in family firms', *Family Business Review*, vol. 29, no. 3, pp. 301–326 [Online]. DOI: 10.1177/0894486516656255.

Chevalier, J. M. and Buckles, D. J. (2013) *Participatory action research: Theory and methods for engaged inquiry*, [Kindle iPad edition] London, Routledge.

Churchill, N. C. and Hatten, K. J. (1987) 'Non-market- based transfers of wealth and power: A research framework for family businesses', *American Journal of Small Business*, vol. 12, no. 2, pp. 53–66 [Online]. DOI: 10.1024/1661-8157/a001041.

Coghlan, D. (2001) 'Insider Action Research projects: Implications for practising managers', *Management Learning*, vol. 32, no. 1, pp. 49–60 [Online]. DOI: 10.1177/1350507601321004.

Coghlan, D. (2011) 'Action Research: Exploring perspectives on a philosophy of practical knowing', *The Academy of Management Annals*, vol. 5, no. 1, pp. 53–87 [Online]. DOI: 10.1080/19416520.2011.571520.

Coghlan, D. and Brannick, T. (2010) *Doing Action Research in your own organization*, 3rd edn, London, Sage Publications Ltd.

Comfort, L. K., Sungu, Y., Johnson, D. and Dunn, M. (2001) 'Complex systems in crisis: Anticipation and resilience in dynamic environments', *Journal of Contingencies and Crisis Management*, vol. 9,

no. 3, pp. 144–158 [Online]. DOI: 10.1111/1468-5973.00164.

Cooperrider, D. L., Whitney, D. and Stavros, J. M. (2008) *Appreciative Inquiry handbook: For leaders of change*, 2nd edn, Brunswick, Crown Custom Publishing Inc.

Creswell, J. D. (2014) *Research design: Qualitative, quantitative and mixed methods approaches*, 4th edn, [Kindle iPad edition] London, Sage Publications Ltd.

Creswell, J. W. (2013) *Qualitative inquiry & research design: Choosing among five approaches*, 3rd [Kindl., Sage.

Crotty, M. (1998) *Foundations of social research: Meaning and perspective in the research process*, [Kindle iPad edition] London, Sage Publications.

Cucculelli, M. and Micucci, G. (2008) 'Family succession and firm performance: Evidence from Italian family firms', *Journal of Corporate Finance*, vol. 14, no. 1, pp. 17–31 [Online]. DOI: 10.1016/j.jcorpfin.2007.11.001.

Cunliffe, A. L. and Eriksen, M. (2011) 'Relational leadership', *Human Relations*, vol. 64, no. 11, pp. 1425–49 [Online]. DOI: 10.1177/0018726711418388.

Dalpiaz, E., Tracey, P. and Phillips, N. (2014) 'Succession narratives in family business: The case of Alessi', *Entrepreneurship: Theory and Practice*, no. November, pp. 1375–1394 [Online]. DOI: 10.1111/etap.12129.

Daspit, J. J., Holt, D. T., Chrisman, J. J. and Long, R. G. (2016) 'Examining family firm succession from a social exchange perspective: A multiphase, multistakeholder review', *Family Business Review*, vol. 29, no. 1, pp. 44–64 [Online]. DOI: 10.1177/0894486515599688.

Davis, P. S. and Harveston, P. D. (1999) 'In the founder's shadow: Conflict in the family firm', *Family Business Review*, vol. 12, no. 4, pp. 311–323 [Online]. DOI: 10.1111/j.1741-6248.1999.00311.x.

Denzin, N. K. and Lincoln, Y. S. (2018) *The Sage handbook of qualitative research*, Denzin, N. K. and Lincoln, Y. S. (eds), 5th [Kindl., Sage.

Department for Business Energy & Industrial Strategy (2017) *Business Population Estimates for the UK and Regions 2017*, London.

Van Dijk, E., De Cremer, D. and Handgraaf, M. J. J. (2004) 'Social value orientations and the strategic use of fairness in ultimatum bargaining', *Journal of Experimental Social Psychology*, vol. 40, pp. 697–707 [Online]. DOI: 10.1016/j.jesp.2004.03.002.

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*, vol. 17, no. 1, pp. 143–162 [Online]. DOI: 10.1016/j.athoracsur.2014.10.007.

Fairhurst, G. T. and Grant, D. (2010) 'The social construction of leadership: A sailing guide', *Management Communication Quarterly*, vol. 24, no. 2, pp. 171–210 [Online]. DOI: 10.1177/0893318909359697.

Fetterman, D. M. (2015) 'Empowerment evaluation', *International Encyclopedia of the Social & Behavioral Sciences*, Second Edi., Elsevier, vol. 7, pp. 577–583 [Online]. DOI: 10.1016/B978-0-08-097086-8.10572-0.

Flamholtz, E. G. and Randle, Y. (2011) *Corporate culture: The ultimate strategic asset*, E-book., Stanford, Stanford Business Books.

Fleming, Q. J. (2000) *Keep the family baggage out of the family business: Avoiding the seven deadly sins that destroy family businesses*, E-book., New York, Fireside [Online]. Available at https://books.google.co.uk/books?hl=en&lr=&id=lBw-nPsyY4cC&oi=fnd&pg=PA7&dq=Keep+the+family+baggage+out+of+the+family+business&ots=m6M_ppyN01&sig=iHoQrF2Tms9spBqt_XiqTs-E7b0#v=onepage&q=Keep the family baggage out of the family business&f=false.

Fox, M., Nilakant, V. and Hamilton, R. T. (1996) 'Managing succession in family-owned business', *International Small Business Journal*, vol. 15, no. 1, pp. 15–25 [Online]. Available at https://journals-sagepub-com.liverpool.idm.oclc.org/doi/pdf/10.1177/0266242696151001.

Garavan, T., Watson, S., Carbery, R. and O'Brien, F. (2015) 'The antecedents of leadership development practices in SMEs: The influence of HRM strategy and practice', *International Small Business Journal*, vol. 1, no. 21, p. 21 [Online]. DOI: 10.1177/0266242615594215.

Giarmarco, J. (2012) 'The three levels of family business succession planning', *Journal of Financial Service Professionals*, vol. 66, no. March, pp. 59–70 [Online]. Available at http://search.ebscohost.com.ezproxy.apollolibrary.com/login.aspx?direct=true&db=bth&AN=72323439&site=ehost-live.

Gilding, M., Gregory, S. and Cosson, B. (2015) 'Motives and outcomes in family business succession planning', *Entrepreneurship: Theory and Practice*, vol. March, pp. 299–312 [Online]. DOI: 10.1111/etap.12040.

Glasby, J., Allen, K. and Robinson, S. (2019) '"A game of two halves?" Understanding the process and outcomes of English care home closures: Qualitative and quantitative perspectives', *Social Policy and Administration*, vol. 53, no. 1, pp. 78–98 [Online]. DOI: 10.1111/spol.12412.

Gómez-mejía, L. R., Haynes, K. T., Núñez-nickel, M. and Jacobson, K. J. L. (2007) 'Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills.', *Administrative Science Quarterly*, vol. 52, no. 1, pp. 106–137 [Online]. Available at https://content.ebscohost.com/ContentServer.asp?T=P&P=AN&K=25389857&S=R&D=bth&EbscoContent=dGJyMNXb4kSep7U4yOvqOLCmr1Gep7BSrqu4SLSWxWXS&ContentCustomer=dGJyMOzprkmvqLJPuePfgeyx43zx.

Gouldner, A. W. (1960) 'The norm of reciprocity: A preliminary statement', *American Sociological Review*, vol. 25, no. 2, pp. 161–178 [Online]. DOI: 10.1021/jp077364z.

Greiner, L. E. (1998) 'Evolution and revolution as organizations grow', *Harvard Business Review*, no. June, pp. 55–67 [Online]. Available at https://eds-b-ebscohost-com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=9&sid=1656d0fd-8862-4d09-b65f-ec48802fff25%40sessionmgr102.

Guba, E. G. and Lincoln, Y. S. (2005) 'Paradigmatic controversies, contradictions, and emerging confluences', in *The Sage handbook of qualitative research*, E-book., Thousand Oaks, pp. 191–215.

Hacking, I. (1999) *The social construction of what?*, E-book., Cambridge, Massachusetts, Harvard University Press [Online]. Available at https://books.google.co.uk/books?hl=en&lr=&id=XkCR1p2YMRwC&oi=fnd&pg=PA1&dq=The+social+construction+of+what%3F&ots=NG-

6W21jh1&sig=bdsMuIvXldoUSxsKkTl3ds26bDM#v=onepage&q=The social construction of what%3F&f=false.

Haig, B. D. (2008) 'An abductive perspective on theory construction.', *Journal of Theory Construction & Testing*, vol. 12, no. I, pp. 7–10 [Online]. Available at http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:An+Abductive+Perspective+on+Theory+Construction#0.

Handler, W. C. (1994) 'Succession in family business: A review of the research', *Family Business Review*, vol. 7, no. 2, pp. 133–157 [Online]. DOI: 10.1111/j.1741-6248.1994.00133.x.

Handler, W. C. and Kram, K. E. (1988) 'Succession in family firms: The problem of resistance', *Family Business Review*, vol. 1, no. 4, pp. 361–381 [Online]. DOI: 10.1111/j.1741-6248.1988.00361.x.

Heron, J. and Reason, P. (1997) 'A participatory inquiry paradigm', *Qualitative Inquiry*, vol. 3, no. 3, pp. 274–294 [Online]. Available at http://journals.sagepub.com/doi/pdf/10.1177/107780049700300302.

Hersey, P., Blanchard, K. H. and Johnson, D. E. (2008) 'Situational Leadership', in *Management of organizational behavior: leading human resources*, 9th edn, New York, Pearson International [Online]. Available at https://elearning.uol.ohecampus.com/bbcswebdav/institution/UKL1/DBA/201360_10/LDRCOM/readings/Hersey_Ch7.pdf.

Hillier, D. and McColgan, P. (2009) 'Firm performance and managerial succession in family managed firms', *Journal of Business Finance & Accounting*, vol. 36, no. 3–4, pp. 461–484 [Online]. DOI: 10.1111/j.1468-5957.2009.02138.x.

Hoang, H. and Gimeno, J. (2010) 'Becoming a founder: How founder role identity affects entrepreneurial transitions and persistence in founding', *Journal of Business Venturing*, Elsevier Inc., vol. 25, no. 1, pp. 41–53 [Online]. DOI: 10.1016/j.jbusvent.2008.07.002.

Holland, J. H. (2012) *Signals and boundaries: Building blocks for complex adaptive systems*, [Kindle iPad edition] Cambridge, Massachusetts, MIT Press.

Hollander, E. P. (1992) 'Leadership, followership, self, and others', *Leadership Quarterly*, vol. 3, no. 1, pp. 43–54 [Online]. Available at http://www.sciencedirect.com.ezproxy.liv.ac.uk/science/article/pii/104898439290005Z.

Holt, R. and Popp, A. (2013) 'Emotion, succession, and the family firm: Josiah Wedgwood & Sons', *Business History*, vol. 55, no. 6, pp. 892–909 [Online]. DOI: 10.1080/00076791.2012.744588.

Horton, T. P. (1982) 'The baton of succession', *Management Review*, vol. 71, pp. 2–3 [Online]. Available at https://eds-b-ebscohost-com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=10&sid=ca60c39f-994a-486c-84f1-9272f5206a67%40pdc-v-sessmgr03.

James, H. S. (2006) 'Self-selection bias in business ethics research', *Business Ethics Quarterly*, vol. 16, no. 4, pp. 559–577 [Online]. Available at http://eds.a.ebscohost.com.ezproxy.liv.ac.uk/eds/pdfviewer/pdfviewer?vid=2&sid=faf44438-902e-48b8-b102-f0a5eb07f077%40sessionmgr4005&hid=4211.

Janjuha-Jivraj, S. and Spence, L. (2009) 'The nature of reciprocity in family firm succession',

International Small Business Journal, vol. 27, no. 6, pp. 702–719 [Online]. DOI: 10.1177/0266242609344252.

Jick, T. D. (1979) 'Mixing Qualitative and Quantitative Methods: Triangulation in Action', *Administrative Science Quarterly*, vol. 24, no. 4, p. 602 [Online]. DOI: 10.2307/2392366.

Johnson, G. (2000) 'Strategy through a cultural lens: Learning from managers' experience', *Management Learning*, vol. 31, no. 4, pp. 403–426 [Online]. DOI: 10.1177/1350507600314001.

Jolley, D., Jefferys, P., Katona, C. and Lennon, S. (2011) 'Enforced relocation of older people when Care Homes close: a question of life and death?', *Age and Ageing*, vol. 40, no. 5, pp. 534–7 [Online]. DOI: 10.1093/ageing/afr052.

Kaplan, R. S. (2008) 'Framing contests: Strategy making under uncertainty', *Organization Science*, vol. 19, no. 5, pp. 729–752 [Online]. DOI: 10.1287/orsc.1070.0340.

Kaye, K. and Hamilton, S. (2004) 'Roles of trust in consulting to financial families', *Family Business Review*, vol. XVII, no. 2, pp. 151–163.

Kets de Vries, M. F. R. (1993) 'The dynamics of family controlled business: The good and bad news.', *Organizational Dynamics*, vol. 21, no. 3, pp. 59–71 [Online]. Available at https://eds-a-ebscohost-com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=5&sid=8e35a8f1-1cf9-41e6-8c07-eb0495eb5369%40sdc-v-sessmgr01.

Khanlou, N. and Peter, E. (2005) 'Participatory Action Research: considerations for ethical review', *Social Science & Medicine*, vol. 60, no. 10, pp. 2333–2340 [Online]. DOI: 10.1016/j.socscimed.2004.10.004.

Kincheloe, J. L., McLaren, P. and Steinberg, S. R. (2011) 'Critical pedagogy and qualitative research', in Denzin, N. K. and Lincoln, Y. S. (eds), *The Sage handbook of qualitative research*, 4th edn, London, Sage [Online]. Available at SyP_lzzgOS89s88#v=onepage&q=kincheloe 2007&f=false.

Kirby, D. A. and Lee, T. J. (1996) 'Research note: Succession management in family firms in Northeast England', *Family Business Review*, vol. 9, no. 1, pp. 75–85 [Online]. DOI: 10.1111/j.1741-6248.1996.00075.x.

Koshy, V. (2005) *Action Research for improving practice: A practical guide*, London, Sage Publications Ltd.

Kotter, J. P. (2007) 'Leading change.', *Harvard Business Review*, vol. January, no. January, pp. 1–11 [Online]. Available at http://www.ncbi.nlm.nih.gov/pubmed/17927072.

Lakshman, C. (2008) 'Attributional theory of leadership: a model of functional attributions and behaviors', *Leadership & Organization Development Journal*, vol. 29, no. 4, pp. 317–339 [Online]. DOI: 10.1108/01437730810876131.

Lansberg, I. (1988) 'The succession conspiracy', *Family Business Review*, vol. 1, no. 2, pp. 25–36 [Online]. Available at https://journals.sagepub.com/doi/pdf/10.1111/j.1741-6248.1988.00119.x.

Lansberg, I. and Astrachan, J. H. (1994) 'Influence of family relationships on succession planning and training: The importance of mediating factors', *Family Business Review*, vol. 7, no. 1, pp. 39–59 [Online]. DOI: 10.1111/j.1741-6248.1994.00039.x.

Laughlin, A., Parsons, M., Kosloski, K. D. and Bergman-Evans, B. (2007) 'Predictors of mortality following involuntary interinstitutional relocation', *Journal of Gerontological Nursing*, vol. 33, no. 9, pp. 20–6; quiz 28–9 [Online]. Available at http://www.ncbi.nlm.nih.gov/pubmed/17899997.

Lauterbach, B., Vu, J. and Weisberg, J. (1999) 'Internal vs. external successions and their effect on firm performance', *Human Relations*, vol. 52, no. 12, pp. 1485–1504 [Online]. DOI: 10.1177/001872679905201201.

Lawson, H. A., Caringi, J., Pyles, L., Jurkowski, J. and Bozlak, C. (2015) *Participatory Action Research*, E-book., Oxford University Press.

Lee, K. S., Lim, G. H. and Lim, W. S. (2003) 'Family business succession: Appropriation risk and choice of successor', *Academy of Management Review*, vol. 28, no. 4, pp. 657–666 [Online]. Available at http://eds.a.ebscohost.com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=1&sid=5ab0a ed6-902b-453f-b3a7-787395ce8d84@sessionmgr4003&hid=4108.

Levinson, H. (1971) 'Conflicts that plague family businesses', *Harvard Business Review*, vol. 49, no. 2, pp. 90–98 [Online]. DOI: http://dx.doi.org/10.1093/humrep/dev277.

Lewin, K. (1933) 'Vectors, cognitive processes, and Mr. Tolman's criticism', *Journal of General Pyschology*, vol. 9, pp. 318–85 [Online]. Available at https://search-proquest-com.liverpool.idm.oclc.org/docview/1290457425/fulltextPDF/19E49B80A6C14BB0PQ/1?accoun tid=12117.

Lincoln, Y. S. and Guba, E. G. (1990) 'Judging the quality of case study reports', *International Journal of Qualitative Studies in Education*, vol. 3, no. 1, pp. 53–59.

Liu, C., Eubanks, D. L. and Chater, N. (2015) 'The weakness of strong ties: Sampling bias, social ties, and nepotism in family business succession', *The Leadership Quarterly*, Elsevier Inc., vol. 26, no. 3, pp. 419–435 [Online]. DOI: 10.1016/j.leaqua.2015.02.007.

Lomax, S., Wiseman, J. and Parry, E. (2015) *Small business survey 2014: SME employers*, London, no. 214 [Online]. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414963/bis-15-151-small-business-survey-2014-sme-employers_v1.pdf.

Longenecker, J. G. and Schoen, J. E. (1978) 'Management succession in the family business', *Journal of Small Business Management*, vol. 16, no. 3, pp. 1–6 [Online]. DOI: 10.5465/amle.2014.0247.

De Massis, A., Chua, J. H. and Chrisman, J. J. (2008) 'Factors preventing intra-family succession', *Family Business Review*, vol. 21, no. 2, pp. 183–199 [Online]. DOI: 10.1111/j.1741-6248.2008.00118.x.

Mathews, T. and Blumentritt, T. (2015) 'A sequential choice model of family business succession', *Small Business Economics*, vol. 45, no. 1, pp. 15–37 [Online]. DOI: 10.1007/s11187-015-9628-2.

Matzler, K., Veider, V., Hautz, J. and Stadler, C. (2015) 'The impact of family ownership, management, and governance on innovation', *Journal of Product Innovation Management*, vol. 32, no. 3, pp. 319–333 [Online]. DOI: 10.1111/jpim.12202.

Mayo-Wilson, C., Zollman, K. and Danks, D. (2012) 'Wisdom of crowds versus groupthink: Learning in

groups and in isolation', *International Journal of Game Theory*, vol. 42, no. 3, pp. 695–723 [Online]. DOI: 10.1007/s00182-012-0329-7.

McNiff, J. (2013) *Action Research: Principles and practice, Combustion and Flame*, 3rd edn, [Kindle iPad edition] Abingdon, Routledge, vol. 105 [Online]. DOI: 10.1016/S1573-4374(98)80006-X.

Michael-Tsabari, N. and Weiss, D. (2015) 'Communication traps: Applying Game Theory to succession in family firms', *Family Business Review*, vol. 28, no. 1, pp. 26–40 [Online]. DOI: 10.1177/0894486513497506.

Miles, M. B. and Huberman, A. M. (2014) *Qualitative data analysis: A methods sourcebook*, 3rd edn, [Kindle iPad edition] London, Sage Publications, Inc.

Miller, D., Steier, L. and Le Breton-Miller, I. (2003) 'Lost in time: Intergenerational succession, change, and failure in family business', *Journal of Business Venturing*, vol. 18, no. 4, pp. 513–531 [Online]. DOI: 10.1016/S0883-9026(03)00058-2.

Mitchell, R. K., Agle, B. R. and Wood, D. J. (1997) 'Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts', *The Academy of Management Review*, vol. 22, no. 4, p. 853 [Online]. DOI: 10.2307/259247.

Moberly, M. D. (2014) *Safeguarding Intangible Assets*, [Kindle iPad edition] Waltham, Elsevier Inc.

Molly, V., Laveren, E. and Deloof, M. (2010) 'Family business succession and its impact on financial structure and performance', *Family Business Review*, vol. 23, no. 2, pp. 131–147 [Online]. DOI: 10.1177/0894486510365062.

Morgan, D. L. (2014) 'Pragmatism as a paradigm for social research', *Qualitative Inquiry*, vol. 20, no. 8, pp. 1045–1053 [Online]. DOI: 10.1177/1077800413513733.

Morris, H., Williams, R. O. Y., Allen, A. and Avila, A. (1997) 'Correlates In Family of Success Business Transitions', *Journal of Business Venturing*, vol. 12, no. x, pp. 385–401 [Online]. DOI: 10.1016/S0883-9026(97)00010-4.

Motwani, J., Levenburg, N. M., Schwarz, T. V. and Blankson, C. (2006) 'Succession planning in SME's: An empirical analysis', *International Small Business Journal*, vol. 24, no. 5, pp. 471–495 [Online]. DOI: 10.1177/0266242606067270.

Mussolino, D. and Calabrò, A. (2014) 'Paternalistic leadership in family firms: Types and implications for intergenerational succession', *Journal of Family Business Strategy*, vol. 5, no. 2, pp. 197–210 [Online]. DOI: 10.1016/j.jfbs.2013.09.003.

Nelton, S. (1986) 'Making sure your buiness outlasts you', *Nation's Business*, vol. 74, p. 32.

Nonaka, I. and von Krogh, G. (2009) 'Tacit Knowledge and Knowledge Conversion: Controversy and Advancement in Organizational Knowledge Creation Theory', *Organization Science*, vol. 20, no. 3, pp. 635–652 [Online]. DOI: 10.1287/orsc.1080.0412.

Nonaka, I. and Lewin, A. Y. (1994) 'A dynamic theory of organizational knowledge creation', *Organization Science*, vol. 5, no. 1, pp. 14–37 [Online]. Available at http://www.jstor.org.ezproxy.liv.ac.uk/stable/2635068.

Nordqvist, M., Wennberg, K., Bau', M. and Hellerstedt, K. (2013) 'An entrepreneurial process

perspective on succession in family firms', *Small Business Economics*, vol. 40, no. 4, pp. 1087–1122 [Online]. DOI: 10.1007/s11187-012-9466-4.

Patton, M. Q. (2015) *Qualitative research & evaluation methods: Integrating theory & practice*, [Kindle iPad edition] London, SAGE Publishing Ltd.

Pitcher, P., Chreim, S. and Kisfalvi, V. (2000) 'CEO succession research: Methodological bridges over troubled waters', *Strategic Management Journal*, vol. 21, pp. 625–648 [Online]. Available at https://onlinelibrary-wiley-com.liverpool.idm.oclc.org/doi/pdf/10.1002/%28SICI%291097-0266%28200006%2921%3A6%3C625%3A%3AAID-SMJ107%3E3.0.CO%3B2-A.

Pitts, C. (2015) 'Pro-social corporate value(s), culture, and purpose before profit, in logic and law', *UC David Business Law Journal*, vol. 16, no. 1, pp. 69–102 [Online]. Available at https://heinonline-org.liverpool.idm.oclc.org/HOL/Page?collection=journals&handle=hein.journals/ucdbulj16&id=73&men_tab=srchresults.

Raelin, J. (2009) 'Seeking conceptual clarity in the action modalities', *Action Learning: Research and Practice*, vol. 6, no. 1, pp. 17–24 [Online]. DOI: 10.1080/14767330902731269.

Ramos, H. M., Man, T. W. Y., Mustafa, M. and Ng, Z. Z. (2014) 'Psychological ownership in small family firms: Family and non-family employees' work attitudes and behaviours', *Journal of Family Business Strategy*, Elsevier Ltd, vol. 5, no. 3, pp. 300–311 [Online]. DOI: 10.1016/j.jfbs.2014.04.001.

Reason, P. and Bradbury, H. (2008) *The SAGE Handbook of Action Research: Participative Inquiry and Practice*, Reason, P. and Bradbury, H. (eds), Second., London, Sage Publications Ltd.

Restubog, S. L. D., Bordia, P., Tang, R. L. and Krebs, S. a. (2010) 'Investigating the moderating effects of leader-member exchange in the psychological contract breach-employee performance relationship: A test of two competing perspectives', *British Journal of Management*, vol. 21, pp. 422–437 [Online]. DOI: 10.1111/j.1467-8551.2009.00673.x.

Riessman, C. K. (2008) *Narrative methods for the human sciences*, [Kindle iPad edition] London, Sage Publications Ltd.

Rothwell, W. J. (2011a) 'The future of succession planning', *T+D*, vol. 2, no. 1, pp. 12–13 [Online]. DOI: 10.1145/1929887.1929891.

Rothwell, W. J. (2011b) 'Replacement planning: A starting point for succession planning and talent management', *International Journal of Training and Development*, vol. 15, no. 1, pp. 87–99 [Online]. DOI: 10.1111/j.1468-2419.2010.00370.x.

Schein, E. H. (2009) 'Reactions, reflections, rejoinders, and a challenge', *The Journal of Applied Behavioral Science*, vol. 45, pp. 141–158 [Online]. DOI: 10.1177/0021886308328942.

Schepker, D. J., Kim, Y., Patel, P. C., Thatcher, S. M. B. and Campion, M. C. (2017) 'CEO succession, strategic change, and post-succession performance: A meta-analysis', *Leadership Quarterly*, Elsevier Inc., vol. 28, no. 6, pp. 701–720 [Online]. DOI: 10.1016/j.leaqua.2017.03.001.

Schlepphorst, S. and Moog, P. (2014) 'Left in the dark: Family successors' requirement profiles in the family business succession process', *Journal of Family Business Strategy*, Elsevier Ltd, vol. 5, no. 4, pp. 358–371 [Online]. DOI: 10.1016/j.jfbs.2014.08.004.

Schulze, W. S., Lubatkin, M. H. and Dino, R. N. (2003) 'Exploring the agency consequences of ownership dispersion among the directors of private family firms', *Academy of Management Journal*, vol. 46, no. 2, pp. 179–194 [Online]. DOI: 10.2307/30040613.

Senge, P. M. (1992) 'Mental Models', *Strategy & Leadership*, vol. 20, no. 2, pp. 4–44 [Online]. DOI: 10.1016/j.cogpsych.2011.04.001.

Sharma, P., Chrisman, J. J. and Chua, J. H. (2003) 'Predictors of satisfaction with the succession process in family firms', *Journal of Business Venturing*, vol. 18, no. 5, pp. 667–687 [Online]. DOI: 10.1016/S0883-9026(03)00015-6.

Sharma, P. and Irving, P. G. (2005) 'Four bases of family business successor commitment: Antecedents and consequences', *Entrepreneurship: Theory and Practice*, vol. January, pp. 13–33 [Online]. Available at https://journals-sagepub-com.liverpool.idm.oclc.org/doi/pdf/10.1111/j.1540-6520.2005.00067.x.

Sharma, P., Sharma, P., Chrisman, J. J., Pablo, A. L. and Chua, J. H. (2001) 'Determinants of initial satisfaction with the succession process in family firms: A conceptual model', *Entrepreneurship: Theory and Practice*, vol. 25, no. 3, pp. 17–35 [Online]. Available at http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=5119777&site=ehost-live.

Shepherd, D. A. and Zacharakis, A. (2000) 'Structuring family business succession: An analysis of the future leader's decision making', *Entrepreneurship: Theory and Practice*, vol. Summer, pp. 25–39 [Online]. Available at http://eds.a.ebscohost.com.liverpool.idm.oclc.org/eds/pdfviewer/pdfviewer?vid=1&sid=ffd0c574-12df-4895-a044-889bb32c481e@sessionmgr4002&hid=4108.

Smith, B. F. and Amoako-Adu, B. (1999) 'Management succession and financial performance of family controlled firms', *Journal of Corporate Finance*, vol. 5, no. 4, pp. 341–368 [Online]. DOI: 10.1016/S0929-1199(99)00010-3.

Smith, C. M. (2005) 'Origin and uses of "primum non nocere": Above all, do no harm!', *The Journal of Clinical Pharmacology*, vol. 45, no. 4, pp. 371–377 [Online]. DOI: 10.1177/0091270004273680.

Sosik, J. J., Jung, D. and Dinger, S. L. (2009) 'Values in Authentic Action: Examining the Roots and Rewards of Altruistic Leadership', *Group & Organization Management*, vol. 34, no. 4, pp. 395–431 [Online]. DOI: 10.1177/1059601108329212.

Steffens, N. K., Fonseca, M. A., Ryan, M. K., Rink, F. A., Stoker, J. I. and Nederveen Pieterse, A. (2018) 'How feedback about leadership potential impacts ambition, organizational commitment, and performance', *Leadership Quarterly*, Elsevier, vol. 29, no. 6, pp. 637–647 [Online]. DOI: 10.1016/j.leaqua.2018.06.001.

Steier, L. (2001) 'Next-generation entrepreneurs and succession: An exploratory study of modes and means of managing social capital', *Family Business Review*, vol. 14, no. 3, pp. 259–276 [Online]. DOI: 10.1111/j.1741-6248.2001.00259.x.

Sund, L. G., Melin, L. and Haag, K. (2015) 'Intergenerational ownership succession: Shifting the focus from outcome measurements to preparatory requirements', *Journal of Family Business Strategy*, vol. 6, no. 3, pp. 166–177 [Online]. DOI: 10.1016/j.jfbs.2015.07.001.

Tagiuri, R. and Davis, J. A. (1992) 'On the goals of successful family companies', *Family Business Review*, vol. 5, no. 1, pp. 43–62 [Online]. DOI: 10.1111/j.1741-6248.1992.00043.x.

Teddie, C. and Tashakkori, A. (2009) *Foundations of mixed methods research: Integrating quantitative and qualitative approaches in the social and behavioural sciences*, [Kindle iPad edition] London, Sage.

Tetlock, P. and Gardner, D. (2016) *Superforecasting: The art and science of prediction*, [Kindle iPad edition] London, Random House.

De Tienne, D. R. and Chirico, F. (2013) 'Exit strategies in family firms: How socioemotional wealth drives the threshold of performance', *Entrepreneurship: Theory and Practice*, vol. 37, no. 6, pp. 1297–1318 [Online]. DOI: 10.1111/etap.12067.

Tranfield, D., Denyer, D. and Smart, P. (2003) 'Towards a methodology for developing evidence-informed management knowledge by means of systematic review', *British Journal of Management*, vol. 14, no. 3, pp. 207–222 [Online]. DOI: 10.1111/1467-8551.00375.

Ward, J. L. (2011) *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*, New York, Palgrave Macmillan.

Williams, M. (2016) *Key concepts in the philosophy of social research*, 2nd edn, [Kindle iPad edition] London, Sage.

Zigarmi, P., Hoekstra, J. and Strategies, L. (2008) *Leadership strategies for making change stick*, *The Ken Blanchard Companies*, vol. 44, no. 0 [Online]. Available at https://resources.kenblanchard.com/whitepapers/leadership-strategies-for-making-change-stick.