MANAGEMENT SUCCESSION FOR FAMILY-OWNED BUSINESSES: A THEORY PAPER

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Abstract

Family-owned businesses play a huge role in the global economy. Despite their importance, there is still much attention needed to devote for the family firm's unique and complex issues.

Some researchers argue that management succession is probably one of the most critical and important issue facing family-owned businesses everywhere. While some studies show that business owners are important not only in his ability to take risks, innovate, and create new organizations, but also in their ability to leave a successfully operating organization in which the function of management can be transferred to other persons.

The purpose of this paper is to create an integrated theory that would help the common person understand the complex and changing relationships between business owners, management team, and their families which are often times inextricably linked together. The phenomenon that happens to business owners nearing the end of their working lives was inclusive in the discussion.

A review of related literature was conducted to look into the factors or forces that enable business owners to find an identity outside the family-owned business for a graceful retirement and paving way for an effective generational transition of management succession. Other relevant models on management succession were also presented to highlight the history / background and related issues surrounding the topic.

Central to the review of related literature is Lucio Dana’s descriptive framework, the ‘Push-Pull Model’ (2005). The model emphasizes the need for pull factors to compliment existing push factors for timely voluntary succession of business owners.

Finally, a proposed conceptual framework was presented by combining the five (5) models discussed together with other related literature. Research gaps were cited for each model presented and future research could be considered in the following areas: Family values and effects of culture on succession for family-owned businesses; Kinship / relationship culture on management succession in family-owned businesses; Intra-family relationship to management succession; Involvement of non-family members on management succession; and Group dynamics, role of gender on succession, and a study on international family-owned businesses.

Key Words

Management Succession; Family-Owned Business; Voluntary Succession; Families; Identity
Introduction

Through the course of selecting an interesting topic in writing a review article in the field of Business Management, this author scanned for an emerging topic of interest that has been widely researched over the past years.

One topic that stood out among others was the topic of Management Succession in Family-Owned Businesses. Having been involved in a family-owned business for more than 40 years, this author finds the topic one of the greatest challenges of modern day business owners and entrepreneurs.

Davis (1968) stresses that an entrepreneur is important not only in his ability to take risks, innovate, and create new organizations, but also in his ability to leave a successfully operating organization in which the function of management can be transferred to other persons. Researchers have also been interested to question the phenomenon that happens to entrepreneurs nearing the end of their working lives (Dyer and Handler, 1994).

Further observation supporting this phenomenon is the lack of an integrated theory that would help the common person understand the complex and changing relationships between business owners' / entrepreneurs and their families. Two streams of research have shown how entrepreneurs and their families are inextricably linked together (Dyer and Handler, 1994).

Employing family members is one of the most challenging decisions an entrepreneur can make. Some writers (Perrow, 1972; Dyer 1994) argue that hiring family members in a firm is contradictory to effective business practices, which could lead to corruption and non-rational behavior.

Whether or not family members could execute or accomplish better performance, the fact remains that business owners and entrepreneurs have generally chosen to give employment to family members. A range between 80-90% of all firms in the world is classified as family firms (Ward, 1987).

Family-owned businesses play a huge role in the global economy. Despite their importance, there is still much attention needed to devote for the family firm's unique and complex issues. Management succession is arguably the most critical and important issue facing family-owned businesses (Ibrahim, Soufani, & Lam, 2001).

After doing a thorough review of several related literature, this author looks into the factors or forces that enable business owners and entrepreneurs for a graceful retirement and thus paving way for an effective generational transition of management succession.

Significance of the Review

Family-owned businesses account to 45% of all publicly listed international firms’ worldwide (La Porta, Lopez-de-Silanes, & Schleifer, 1999). In the Philippines setting, reports show that 99.6% of all businesses are comprised of small to medium enterprises (SME), where 80-90% is family-owned business (DTI-Philippines 2006). A Family-Owned Business is defined to be those whose business has at least 50% ownership and management within one family, whether by blood or marriage (Lee-Chua, 1997).

From an entrepreneurial perspective, encountering risks and uncertainty in the area of management succession has been given much focus and attention over the years. Handler (1994) points out that most researchers in the field of family business believe that management succession is the most important issue that confronts family-owned businesses.
Statistically, 70 percent of family-owned businesses fail to survive transitionally from the first to the second generation, and eventually only 10 percent survives to the third generation. Moreover, the average lifespan of a family-owned business is only 24 years, which is also the average tenure of the founder of the family-owned business (Beckhard and Dyer, 1983a and 1983b).

**Objectives of the Review**

The objective of this review is to examine and analyze the factors or forces that enable business owners and entrepreneurs to find an identity outside the family-owned business for a graceful retirement and an effective generational transition of management succession. In order to understand the impact of management succession on a family-owned business, it is necessary and important to identify the different perspectives of the various stakeholders.

Central to this review is Lucio Dana’s descriptive framework, the ‘Push-Pull Model’, presented at the Many Paths Succession Planning Conference in 2005. The model emphasizes the need for pull factors to compliment existing push factors for timely voluntary succession (Dana, 2005).

Other relevant models on management succession for family-owned businesses are also presented to highlight the history / background and related issues surrounding the topic. A short insight is given by this author after each model to help us understand key outcomes of the review.

Finally, a proposed theoretical model will be presented by combining the five (5) models discussed together with other related literature.

**Review of Related Literature**

1. **The Three Circle (a.k.a. The Family Firm System) Model**

   For almost three decades, the Three Circle (a.k.a. The Family Firm System) Model has been the primary conceptual model of family-owned businesses (Gersick, Lansberg, Desjardins, & Dunn, 1999). The figure below (Figure 1) depicts of what is a family-owned business. Although only three circles are shown in the figure, it represents four basic constituencies: the Family, the Owners, the Managers, and the people external to the firm (Lansberg, 1988).
Each constituency has a tendency to have different goals and expectations from the family-owned business. Although it is possible for an individual to belong to more than one group at the same time, the general view of each constituent can be summarized as follows:

a) Family Members – view the family-owned business as an identity, heritage, and a source of financial security to satisfy their lifestyle expectations.

b) Management Members – view the family-owned business as a career or a vehicle for professional development and economic achievement.

c) Owner Members – view the family-owned business as an investment from which they want to receive a reasonable return.

The Founder, who we often refer to as the Entrepreneur, is perceived to be the only individual who dominates in all three constituencies. Lansberg (1988) cites that the founders / entrepreneurs have many good reasons for developing a succession plan but have enumerated ten (10) deterrents for this action:

1. Reluctance to face his own mortality;
2. Letting go of their power and control;
3. Having a perception of demotion;
4. Losing their identity (a disturbing and painful thought);
5. Feelings of rivalry and jealousy toward potential successors;
6. Difficulty accepting dependence on others;
7. Disruption of family harmony;
8. Against norms for Western culture;
9. Inheritance issues and economic future of family;
10. Certain superstitious beliefs;

Another element in this model (which is included in the Figure) is the Environment forces. These forces create barriers to a sound and well planned management succession. Examples of these forces typically consist of clients and suppliers who are heavily dependent on the incumbent entrepreneur for primary business.

The Three Circle Model is a useful model for understanding work dynamics in a family-owned business, but there remains a gap when using this model during transitional periods of a family-owned business. Since this model is static and applies only to a particular point in time, a review of another model is fitting.

2. Transition Period Model

After some years, the Three Circle Model evolved into a developmental model where three subsystems move from one generational stage to another over time (Gersick, et al, 1999). Better known as the Transition Period Model (Figure 2), the three stages of the model are the Controlling Owner State (1st Generation), Sibling Partnership (2nd Generation), and Cousin Consortium (3rd Generation).
The Transition Period Model illustrates the importance of transition periods between stages where it occurs at a particular time and normally follows a particular outcome. This model becomes very useful if the transition periods are managed effectively, resulting into increase chances of management succession.

Interestingly, the model suggests that there are six distinct components of transitions (including three sequential tasks – items #3-5):

1. The Continuous Accumulation of Developmental Pressures – may include temporal (e.g. aging process or psychological and family changes) and environmental pressures (e.g. economic or political changes);
2. The Trigger – the event that starts the action. May include temporal (e.g. mandatory retirement age or trusts/legal enactment dates) or environmental triggers (e.g. economic, political, or unanticipated events like disability, death, etc.);
3. Disengaging – often symbolized by an external announcement for a retirement or career advancement of the successor.
4. Exploring alternatives – regarded as the most important leadership challenge for transitions;

This model provides a useful pointer to some of the factors to be considered in generational transition, particularly in respect of decisions about who will control the business. However, it does not assist in identifying factors which influence the decision to pass control from one generation to the next.
5. Choosing – only one alternative must be selected and the rest disregarded;
6. Commitment to the New Structure – the stage where the family-owned business formally declares itself ready for the change and implementation of new policies;

This model is very useful in explaining how management succession evolves over time. However, despite the identification of the transition periods and the components of the transitions, there is still the need to identify the factors or forces that will trigger the decision to effect management succession to the next generation. Let us now take a look at the next model.

3. Dana’s Push-Pull Model

Much prominence has been earned by this model for attempting to explain the issues involving generational management succession for family-owned businesses. Dana (2005), a family business adviser, popularized the ‘Push-Pull’ concept from his observations and experiences of his clients. The concept had its humble beginnings from the work of Cohn (1992) in the context of family business succession.

The ‘Push-Pull’ model defines ‘Push’ forces as those that act to persuade or compel the incumbent entrepreneur to ‘let go’ of both management and ownership control to their next successors. These Push forces normally emanate primarily from potential successors, family members, employees, or even third party advisers (e.g. accountants, lawyers, and bankers).

Push forces must be applied at the right time when the incumbent entrepreneur is ‘ready’, or when he has someplace to go, otherwise resistance or even counter offensive actions from the incumbent entrepreneur can ensue.

On the other hand, ‘Pull’ forces are defined as those that act to draw the incumbent entrepreneur away from their business as their primary interest and activity. This will hopefully start a new phase in their lives by their own choice and will. These can include a hobby or interest, spending more time with their loved ones, a desire to travel or write a book, serve a church or a community, or do something that they never had the opportunity, time, or finances in the past.

Dana (2005) emphasizes that push factors or forces are not enough to produce the desired results. Pull forces, with added emphasis, must be applied simultaneously to complement the push forces to enable entrepreneurial management succession to take place.

Furthermore, Galura (2006) views family succession planning as a process and not as an event which normally takes five years to build. Furthermore, there are no quick fixes for successful retirement or management succession of family-owned businesses. The task would be much easier if all the stakeholders will contribute one way or the other. Finally, incumbent entrepreneurs should make their potential successors exposed to the positive sides of the business. This exercise will allow the potential successors be part of the change in the future.

Since majority of entrepreneurs see no difference between semi-retirement and retirement, entrepreneurs should see termination of work as a chance to look at other things (Galura 2006). There is a need for the incumbent entrepreneur to obtain other interest outside the family-owned business. If his identity will no longer be connected to the family-owned business, then it will be much easier for management succession to take place.
A Push-Pull Model Outcome table (Table 1) is summarized below. When such model is applied, results will be one of any three possible outcomes:

Table: 1 Dana's Push-Pull Model Outcomes

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>EFFECTS</th>
<th>PARTICULARS</th>
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<tbody>
<tr>
<td>First</td>
<td>Stalemate</td>
<td>There are stronger push factors acting on the incumbent and pull factors are not present. As a result there is considerable and sustained resistance to succession. Thus little or no movement at succession results which causes delays, indecision, frustrations and possible conflict.</td>
</tr>
<tr>
<td>Second</td>
<td>Drag Effect</td>
<td>Occurs when only pull factors are present and the result is little or no movement in the short to medium term.</td>
</tr>
<tr>
<td>Third</td>
<td>Smooth &amp; Succession</td>
<td>A combination of both pull and push forces are in play. The complementary forces would have to act on an incumbent to generate the requisite momentum for succession and retirement to take place. The absence of either one leads to the incumbent's hesitation in fully letting go.</td>
</tr>
</tbody>
</table>

Based on the table above, a Stalemate (Outcome 1) transpires when only Push factors are present on the incumbent entrepreneur while having no pull factors. There would be little or even no effect and a possibility of considerable and sustained resistance from the incumbent entrepreneur. Delays, indecision, frustration, and even possible conflicts may arise.

The Drag Effect (Outcome 2) happens if the opposite is applied, that is if only Pull factors are present. Minimal movement transpires in the short to medium term. A vacuum is produced and the process is likewise delayed.

The Smooth and Voluntary Succession (Outcome 3) is met if a combination of both Pull and Push forces are implemented. Succession and retirement of incumbent entrepreneur takes place. The complementary forces of both Push and Pull forces generate the desired outcome.

Perryer and Te (2010) who cited Dana's Push-Pull Model, identified three influencing factors why incumbent entrepreneurs refuse to separate from a family-owned business. First is the fear of losing power. Second is that they find no meaningful life outside the family-owned business (all or nothing proposition). Third is the issue of financial independence after retirement.

The Push-Pull Model attempts to encourage those involved in succession planning to be conscious that the existence of Pull forces brings benefit to the process and assists incumbent entrepreneurs of identifying or creating other relevant Pull forces.

One observation on Dana’s Push-Pull Model is that it also talks about both management and ownership succession. Although management and ownership are not always the same, they are intertwined in most cases. “The two are not always the same, and decisions can be fraught with emotion and tension according to financial advisers and private bankers.” (Kolesnikov-Jessop, 2013, page 4).
A caveat also on the use of Dana’s Push-Pull Model specifies that what is considered a Push or a Pull force is dependent on viewers’ perspectives and circumstances since one can perceive the different forces in different ways. It is therefore important to define and classify each force or factor to avoid ambiguity.

4. A Model of Resistance to Succession in the Family Business

Handler and Kram (1988) suggest that resistance to management succession is a complex phenomenon reinforced by different factors not only to individuals, but on the group, organizational, and environmental levels.

This Model is a detailed summary of resistance factors that contribute to the success or failure of management succession in family-owned businesses. A Model of Resistance to Succession in the Family Business is shown below on Figure 3.
On a pragmatic level, the forces stated on this model are only starting points for intervening effectively on family-owned businesses that are facing management succession. So the purpose of this framework will be useful in studying a situation of resistance to management succession.

This model classifies itself into four different levels of resistance to management succession in family-owned businesses as follows:

1. The Individual Level - perhaps the most compelling influences are those interactions between individual characteristics and other situational variables (e.g. aging issues, health problems, and even death). Under this level, sub-items stated such as health, interests, identities, control, self-learning, etc. could either be viewed as factors promoting or reducing resistance to management succession.

2. The Interpersonal and Group Level - this level aims to reveal or expose the extent and nature of resistance between the family, business, and the incumbent entrepreneur. Dyer (1986) suggests that open communication and trust within family and the business increase the likelihood that management succession issues will be openly discussed. Factors on this sub-item such as communication, trust, capabilities, training, balance of power, and conflicts are popular issues in this level.

3. The Organizational Level - certain characteristics within the family-owned business, especially sub-items like culture, values, growth, and structure, will have an impact and influence on resistance to management succession. If the incumbent entrepreneur can give clearly defined areas of responsibilities to others, management succession will have a better chance especially if the incumbent entrepreneur finds delegating his powers effective.

4. The Environment Level - certain environmental factors can influence the resistance to management succession. Good examples of sub-item factors on this level are resource scarcity, political uncertainty, economic depression, etc. Included in this level are the educational and professional requisites of the management successors. If the issue is minimal, resistance to management succession will be reduced.

It should be noted that the above levels are not independent of each other. Although no connections on the factors are explicitly shown, there is a connection within and between the levels. For example, a health problem of the incumbent entrepreneur can encourage an honest and informed communication within the Interpersonal Group Level. On the other hand, problematic environments like an economic recession could induce family conflicts or issues also within the Interpersonal Group.

This model is useful in identifying factors that promote or reduce resistance in entrepreneurial management succession for family-owned businesses. Despite being a comprehensive model with a diagnostic framework, there is still a need for more research to be undertaken to be able to chart the maximum coverage and possible outcomes of the interconnections.
5. The Succession Process Model: Mutual Role Adjustment Between Predecessor and Next-Generation Family Member(s)

Handler (1990) presents an entrepreneurial succession model emphasizing a process of mutual role adjustment between the entrepreneurial founder and the next-generation family member(s). The model (Figure 4 below) reveals a parallel process of next-generation family member(s) showing increasing involvement in the business through time while, during almost the same period, the entrepreneurial founder showing decreasing involvement in the business.

The figure illustrates how the entrepreneurial founder moves from sole operator (often also as sole family member of the business) and eventually a monarch (having supreme power over others), to overseer/delegator, and finally a consultant who eventually disconnects or retires from the business. On the bottom of the figure shows the next-generation family member(s) who oppositely moves from "no role" (or undefined role), to helper, manager, and finally to leader or chief decision maker.

While some entrepreneurs never leave the monarch stage, there are also cases where family members never move beyond the helper or manager level because of the restriction of the entrepreneur founder to authorize increased power. The model also suggests that once the succession process begins (either intentionally or unintentionally, i.e. founder's death or disability) many possible family dynamics can occur.

The above model also presents an overview on the previous research undertaken pertaining to relationships between business owners / entrepreneurs and their respective families and how it affects succession. However, this model poses questions on the dynamics of succession such as successor training, entrepreneur founder-successor relationships, and factors promoting or reducing resistance to succession.

It is also important to determine how the role of the family can shape the career of the entrepreneur. But given the uniqueness and peculiarity of an entrepreneurial founder, its family members, and the family-owned business, a more comprehensive model is desired.
6. Other Related Literature

Shane (2003) mentions that the first operational measure of entrepreneurial performance is survival. Survival is defined as the continuation of the entrepreneurial effort. This phenomenon of survival is crucial and significant because very few entrepreneurial efforts survive. Kirchhoff (1994) estimates that 88% of entrepreneurs fail to survive within 19 years of its operation.

Entrepreneurship comprises of activities that includes the discovery, evaluation and exploitation of opportunities through organizing efforts that previously did not exist (Venkataraman, 1997; Shane and Venkataraman, 2000). Managing uncertainties are also fundamental to entrepreneurial existence (Shane 2003).

A closer look on the dynamics of an entrepreneurial career from entry to exit reveals that there are several phases within that period where family relationships can affect their careers (Dyer, 1992). The career nexuses identified are points in time where family and entrepreneurial dynamics cross each other.

One of the most influential and formative origin of personality is the important role played by the family of the business owner / entrepreneur. A psychoanalytic model of entrepreneurship is presented by Bird (1989) in Table 2.

The model illustrates how early childhood creates an entrepreneurial individual from a psychoanalytic perspective. Collins and Moore (1964) cited that the childhood of the entrepreneurs they investigated was burdened with poverty, insecurity, and neglect where the father oftentimes was away from home.

Other than the psychodynamic aspects, other perspectives from the family could also influence entrepreneurial behavior. One area suggests how parental role models seem to encourage entrepreneurial behavior (Roberts and Wainer, 1968; Ronstadt (1984); and Dyer (1992). The psychosocial dynamics comes into play when the entrepreneurial founder finds it difficult to accept to transfer management (and sometimes ownership) to the next generation, According to Sonnenfeld (1988) and further concurred by Doud and Hausner (2000), there are four (4) departure styles frequently displayed by entrepreneurial founders, as described in Table 3 below.

Table 3 delineates the different departure styles of previous and existing entrepreneurial founders. This author finds it important to cite the different departure styles to be able to better understand the complexities involved in entrepreneurial and family-owned management succession. The entrepreneurial need for power (Lee-Chua, 1997) and control appear to be in direct conflict with succession planning.
**Table 2: Psychoanalytic Model of Entrepreneurship**

<table>
<thead>
<tr>
<th>Social, cultural, historic, economic context</th>
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<tbody>
<tr>
<td>Society that supports the development of authoritarian personality</td>
</tr>
<tr>
<td>Family poverty</td>
</tr>
<tr>
<td><strong>AND</strong></td>
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<tr>
<td>Childhood family dynamics</td>
</tr>
<tr>
<td><strong>Father’s:</strong></td>
</tr>
<tr>
<td>absence</td>
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<tr>
<td>remotesness</td>
</tr>
<tr>
<td>role model</td>
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</table>

**RESULTS IN**

Disrupted, deprived childhood
Conflicts in identification (love-hate)
Splitting the good and bad (either-or thinking, closed-mindedness)
Persistent feelings of dissatisfaction, rejection, powerlessness, low self-esteem, distrust

**THAT DEVELOPMENT INTO**

Young adulthood characterized by
Disorientation, goal-lessness, testing
Non-conformity, rebelliousness
Enjoying setbacks (martyrdom, masochism)
High need for control
Suspicious thinking
Fear of being victimized
Scanning the environment

**THROUGH A SERIES OF CONSCIOUS CHOICES A PERSON ENDS UP AS AN ENTREPRENEUR**

Adulthood creation of an organization that is
Authoritarian
Centralized
Lacking trust and delegation
Lacking planning, impulsive
A work environment of high dependency and power that is a function of centrality or closeness to the entrepreneur
Unresolved regarding succession: Rivalry with sons
Coping with loss or losing control
Table 3: Departure Styles

<table>
<thead>
<tr>
<th>Type of Departure Style</th>
<th>Definition / Result</th>
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<tbody>
<tr>
<td>Monarchs</td>
<td>- rule with an iron fist until forced out by office or death by palace revolt.</td>
</tr>
<tr>
<td></td>
<td>- has the potential for substantial disruption of business property and harmony</td>
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<tr>
<td>Generals</td>
<td>- grudgingly leave usually under pressure</td>
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<tr>
<td></td>
<td>- once gone, they spend time with other generals plotting their return or stay in close enough contact with the business to catch their successor's first mistake;</td>
</tr>
<tr>
<td>Governors</td>
<td>- serve for a limited term</td>
</tr>
<tr>
<td></td>
<td>- they cut all ties to the business and go on to other endeavors that may include starting another business</td>
</tr>
<tr>
<td></td>
<td>- when they leave, the successor will realize that when the governor left, he took all his knowledge and contacts with him.</td>
</tr>
<tr>
<td>Ambassadors</td>
<td>- represent the ideal</td>
</tr>
<tr>
<td></td>
<td>- they plan their departure, give plenty of notice and stay close to the business to make positive continuing contributions as mentors to their successor and as the “elder statesmen” to key customers, suppliers and industry contact.</td>
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</tbody>
</table>

Proposed Theoretical Model

After doing a thorough review of related literature on Entrepreneurial Management Succession for Family-Owned Businesses, this author sought to identify and include the most relevant and significant research related to the topic. The review was intended to evaluate the previous research already undertaken on this topic and present a proposed theoretical model by combining the five (5) models presented together with other related literature. This author presents the model (see Figure 5) to better understand the overall dimensions of an effective generational transition of entrepreneurial management succession for family-owned businesses.

A limited page summary of each of the five (5) models and other related literature were outlined separately with its corresponding boundaries and intersections in the field of entrepreneurial management succession. Such figures and tables provided a reasonable amount of summary to hopefully capture the interest of scholars in the field of Business Management and in the area of Entrepreneurship.

After establishing what research has been published in the field of entrepreneurial and family-owned management succession, this author was able to broaden and deepen its knowledge on the subject. It also helped clarify the research question on the factors or forces that enable entrepreneurs to find an identity outside the family-owned business for a graceful retirement and an effective generational transition of management succession.

Using the dominant research method of deductive approach, this author used the review of related literature to develop a theoretical framework for possible testing of data in future research. This will hopefully explain the causal relationships between the several variables discussed in the review.
The psychoanalytic model and psychosocial dynamics in an entrepreneur's family of origins would be an interesting research on how one's personality can affect the discovery, evaluation, and exploitation of opportunities during the entrepreneur's career. These would compliment Shane's (2003) psychological factors such as aspects of personality and motives, core self-evaluation, and cognitive characteristics.

Despite countless accounts of an entrepreneurial founder's reluctance to give up his power and position, a continuous accumulation of developmental pressures will necessitate the entrepreneur to ponder on the issue of management succession.

The proposed theoretical model encourages a smooth flow chart of how entrepreneurial stages would shift from a particular model to the next. Any situation prompting to stall along the flow chart would be deemed to prospect an unsuccessful entrepreneurial or family-owned management succession.

However, it is important to note that the proposed theoretical model does not suggest that certain models cannot be bypassed. Depending on the situation, entrepreneurial management succession initiatives will be triggered within the Transition Period Model towards Generational Entrepreneurial Management Succession.

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**Figure 5: PROPOSED THEORETICAL MODEL OF ENTREPRENEURIAL MANAGEMENT SUCCESSION FOR FAMILY-OWNED BUSINESSES:**
Conclusion

The review process and development of a proposed conceptual framework was very entertaining and engaging, perhaps because of the applicability of the topic to this author's background.

During the process, this author was able to examine and analyze the different factors or forces that enable incumbent entrepreneurs to discover an identity outside the family-owned business to pave way for a graceful retirement and an effective generational transition of management succession.

The five (5) models helped us understand the recurring and often cited issue of entrepreneurial and family-owned business management succession. Although the intention of the review was to look at each model with uniqueness, the topics of entrepreneurship and family were often times interconnected and even intersected.

Insights of certain gaps were cited on each model. However, Dana's Push-Pull Model was the model that was able to bridge the different backgrounds and approaches of the other four models, particularly in the 'action' plan of how to generate the momentum for retirement of incumbent entrepreneurs and business owners.

Research Directions

Despite the number of research progress achieved in the past 60 years in the field of family-owned businesses and the important issue of management succession, there remain to be gaps to be filled for future conceptual and empirical efforts.

Even beyond the gaps cited for each model presented, it might be interesting for future research to include the areas on the following:

1. Family values and effects of culture on succession for family-owned businesses (Howorth & Ali, 2001).
4. Involvement of non-family members on management succession (Schwendinger, 2010).
5. Group dynamics, role of gender on succession, and a study on international family-owned businesses.

Hopefully, this review and proposed conceptual framework would inspire and encourage potential writers and contributors to create a blueprint for further research on this topic in the future.
References


