

Transgenerational Succession in the Family Business

Focusing on the Emerging Female Leader

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The Problem

The general problem to be addressed is that leaders of family businesses fail to have an adequate succession plan in place, resulting in a failure of the firm's future success.

Introduction to the Problem

- The long-term survival of a business hinges on how leaders manage the succession process (LeCounte, 2022).
- Family firms rarely plan for succession, resulting in a lack of growth, success, and legacy (LeCounte, 2022).
- Many family-run companies lack sufficient readiness, which includes intention, to take over the family company (Gagne et al., 2021).
- Umans et al. (2021) support that a lack of a succession plan decreases the likelihood of longevity in the family firm.
- The lack of readiness of family business successors is cited as the top reason high-potential successors cannot fill leadership roles, resulting in challenging leadership roles (Gagné et al., 2021).
- Many family business owners fail to establish formal succession plans despite the importance and need (Ahrens et al., 2019).

The Specific Problem

The specific problem to be addressed is the possible challenges of family business leaders in Alaska's tourism and hospitality industry to select a female successor, potentially resulting in a failure of the firm's future success.

Research Questions

The exploration of transgenerational succession in the family firm requires various research questions to fully provide value. In this study, the questions examine leadership failures and specific attributes and behaviors that support the successful implementation of a family business succession plan. These findings will be used to determine how a family firm can implement changes that will positively affect succession planning.

Research Questions

- RQ1.** What decisions contribute to the challenges of the succession processes to the survival of a family business?
- RQ2.** What roadblocks occur for family business leaders in Alaska's tourism and hospitality industry to initiate transgenerational succession plans?

- RQ3.** In what ways does leadership readiness impact high-potential successors in the family firm?
- RQ4.** Why do leaders face challenges in the selection of a female successor as a leader for the family business?

RQ1

- As family businesses move through their life cycle, some challenges can affect long-term sustainability (Gagne et al., 2021).
- Several actions can result in the failure process, including the heirs' preparation level, family relationships, planning, and control activities (LeCounte 2022).
- A lack of planning is often the result of family members not being willing to take risk-related measures (LeCounte 2022).

RQ2

- Investigate the impacts of entrepreneurship in Alaska and found that self-employment behavior in the state is somewhat like other states (Feinberg & Kuehn 2020).
- Roadblocks for family leaders initiating transgenerational succession plans exist in Alaska, particularly related to business culture, tradition, and leadership.
- Umans et al. (2021) found that the effects of the family firm's transgenerational succession intention depend on factors such as the relationship between the family CEO and successor.

RQ2 Continued

- Family business leaders can mitigate this risk by taking the time to articulate a strategic plan that outlines a compelling future vision and by becoming skilled at navigating transgenerational change (Porfirio et al., 2020).
- Family businesses face many of the same leadership challenges as other organizations (Haque et al., 2020).

RQ3

- Successors' confidence and perceptions of incumbent support predict the successor's intrinsic motivation to take over the business (Gagné et al., 2021).
- Lack of readiness as the top reason high-potential successors in the family business could not fill leadership roles (Gagné et al., 2021).
- Only 30% of organizations survive the initial succession process, with a further decline during each subsequent succession (Gagné et al., 2021).
- It is essential to find ways to help family businesses transition from one generation to the next and to ensure the new leaders are prepared to move forward in the firm's next chapter (Gagné et al., 2021).

RQ4

- The exclusion of daughters presents both an opportunity and a waste of resources, particularly for the majority of family businesses that are small and medium-sized (Haynes et al., 2021).
- Succession candidates are often inadequately trained before they are given the role of successor (Xian et al., 2021).
- Families often struggle to survive beyond one or two generations because of this critical reason for succession failure (Rodriguez Serna et al., 2023).

RQ4 Continued

- Mussolino et al. (2019) further maintain that although daughter exclusion has been identified as a key research topic, it has remained under-researched, particularly when compared with understanding business succession.
- Payne (2019) argues that family dynamics and ownership of family businesses need to be understood. Despite the importance of intergenerational succession, little research has been conducted on emerging female leaders' challenges (Xian et al., 2021).

Overview of the Research Framework

- The purpose of this flexible qualitative single case study is to expand the understanding of the challenges faced in the family business in transitioning ownership and leadership from one generation to the next. This succession poses significant challenges, risks, and setbacks (Leiß and Zehrer, 2018). Many family firms in the tourism and hospitality industry struggle to survive beyond the first generation due to a lack of a clear succession plan and its implementation, resulting in significant struggles among family members and deteriorating business and family relationships (Arcese et al., 2020; López-Chávez et al., 2020).
- Successful inter-family succession remains a dynamic and complex process. A considerable and valuable amount of research has been conducted separately on the factors influencing inter-family succession (Porfirio et al., 2020; Schlömer-Laufen and Rauch, 2020). However, little research has been conducted on the critical challenges of an emerging female leader in intergenerational succession. This study will seek to explore and research the gap that currently exists within this specific area.

Framework Continued

- This qualitative study will focus on the challenges faced by family businesses in establishing successful succession plans. It will also discuss the difficulties resulting from inadequate preparation of the next generation of leaders.
- This lack of planning can result in the inability to successfully prepare for succession and train the next generation of leaders for the family firm.
- The researcher will utilize a pragmatic paradigm, flexible qualitative methodology, and single case study design for exploring individual and organizational experiences.
- The project seeks to study how leadership readiness can improve the chances of carrying the business forward into the next generation and the challenges of implementing a successful succession plan.

The Design and Method of the Study

- This study will be conducted using a flexible design using a qualitative method. Specifically, the researcher will utilize a single case study design. Research design refers to the methodology of a study, including when and how data are collected (Agazu et al., 2022). It is best to investigate the personal experiences of research participants when studying leadership within a family business (Shufutinsky, 2020).
- The rationale and appropriateness of selecting the qualitative method and single case study design are congruent for this research project.
- Using the methodology in conjunction with the research questions and through the triangulation method, the research study's methodology is further supported.

Population and Sampling

Participants of a family firm actively contemplating succession in Alaska's tourism and hospitality industry as the target population.

- Fifteen to thirty participants in a leadership role in the family firm
 - Supervisors, CEOs, predecessors, and incumbents at a family firm in Alaska's tourism and hospitality industry.

Population and Sampling Continued

The sample will be collected using purposeful selection to identify the family firm; then, convenience sampling techniques will be employed to select the remaining participants (Bekele & Ago, 2022). The population of all family-owned businesses in Alaska is too large of a group or population to study.

Triangulation will be used to strengthen the study results to account for the biases characteristic of interviews (Natow, 2020). The researcher will also calculate estimates for groups outside the sample and combine sampling with new methodologies, such as computer-assisted web interviews (Rehm et al., 2021).

The Data Collection and Analysis Technique

The primary participants for the interviews will be persons in the company that hold a leadership position, or otherwise supervise others. There will be at least 15 interviews held with these leaders. There will also be remote virtual meetings that could be conducted using online meeting platforms such as Zoom or other online meeting services, which are another way of conducting interviews.

A small subset of participants will be subjected to a focus group to obtain data that can be used for triangulation purposes.

The Data Collection and Analysis Technique

Instrument:

Interview Guide (Roberts, 2020): 14 questions and follow-up.

The interview guide includes a list of questions the researcher covers during participant interviews.

Researchers who develop interview guides with potential follow-up questions are more likely to stay on track (Roberts, 2020).

Held on Zoom. Recorded and Transcribed.

The Data Collection and Analysis Technique

Focus Group

For this study, to confirm what has been found in the interviews, a focus group discussion of three or five participants can be conducted to reaffirm what has been found in the interviews, observations, and field notes (Gundumogula & Gundumogula 2020).

The Data Collection and Analysis Technique

Analysis:

Coding in qualitative research aids thematic analysis (Sandelowski, 2000).

Different themes can emerge from data, logically learned approaches, and the prior theoretical knowledge of the researcher (Alam, 2021).

Review

As a first step in the data analysis process, the researcher will review transcripts, replay recordings, and notes taken during the interview process to begin collecting data. Several themes, including instructional practices, behavior, decision-making, and leadership readiness, can be anticipated (Roberts, 2020).

The Data Collection and Analysis Technique

Ethical Assurances

For research to be conducted with integrity, appropriate methods must be used, considering the specific purpose of the research (Jacobs, 2020).

Key variables will always be present, including ethical considerations in data collection through adherence to a research protocol cleared by relevant institutional bodies (Olson, 2023).

Principal ethical issues pertaining to human subjects, such as respect for individuals, beneficence, and justice; and finally, assurance that any potential conflicts of interest have been addressed and why the Institutional Review Board requires this study to comply with its requirements (Olson, 2023; Jacobs, 2020).

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