Between Autonomy and Control: Successors' Decision-Making in Family Businesses

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Abstract

Title: Between Autonomy and Control: Successors' Decision-Making in Family Businesses

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Considering the significant economic contribution of family businesses worldwide, improving the success rate of business succession is crucial. This research focuses on the topic of successors' decision-making in family businesses. The objective is to identify influences on these decisions and the outcomes of both autonomous and externally influenced decisions. Based on qualitative research, 12 interviews with successors from various family businesses were conducted. Findings reveal that successors perceive a combination of external and internal factors influencing their decision-making and outcomes. Autonomous decisions are perceived as fast, empowering and innovation-enhancing, but may lack the benefit of different perspectives and the distribution of responsibility. Conversely, decisions that are influenced by predecessors are perceived as slower, more stalled, and more frustrating, however, might profit from shared responsibility and enrichment from different perspectives. Applying the model of paradox of autonomy and control, this research illustrates the importance of resolving this paradox for the success of family businesses. Effective management of this issue requires fostering good relationships, maintaining open communication and ensuring equal treatment of successors. A balance between the successors' autonomy and the consideration of the predecessors' knowledge is perceived to be the ideal approach. These practices support successors in their role and promote business continuity, while creating a balance between the expertise of predecessors and the necessary autonomy for successors to innovate and lead effectively.

Resumo

Título: Entre a autonomia e o controlo: A tomada de decisões dos sucessores nas empresas familiares

Autor: Carolin Fries

Palavras-chave: Sucessão de Empresas Familiares, Paradoxo da Autonomia e do Controlo, Processo de Decisão do Sucessor, Influência do Antecessor, Continuidade da Empresa Familiar

Considerando a significativa contribuição económica das empresas familiares em todo o mundo, é crucial melhorar a taxa de sucesso das sucessões empresariais. Esta investigação foca-se na tomada de decisão dos sucessores nessas empresas, visando examinar as influências percebidas que enfrentam e os resultados de decisões autónomas versus influenciadas. Baseada em investigação qualitativa, foram realizadas 12 entrevistas com sucessores de diversas empresas familiares. Os resultados mostram que eles consideram que têm de lidar com uma variedade de influências externas e internas no processo de decisão. Decisões autónomas são vistas como rápidas e empoderadoras, mas podem carecer de perspectivas diversas e colocam toda a responsabilidade no sucessor. Em contraste, decisões influenciadas pelos antecessores, apesar de mais lentas e por vezes frustrantes, podem beneficiar da responsabilidade compartilhada e do enriquecimento proporcionado por diferentes pontos de vista. Aplicando o modelo do paradoxo de autonomia e controlo, a investigação destaca a importância de resolver esse paradoxo para o sucesso das empresas familiares. A gestão eficaz dessa dinâmica exige promover boas relações, manter comunicação aberta e garantir o tratamento equitativo dos sucessores. Um equilíbrio entre a autonomia do sucessor e a consideração do conhecimento do predecessor é visto como ideal, apoiando os sucessores em seu papel e promovendo a continuidade do negócio enquanto equilibra a experiência dos antecessores com a necessidade de autonomia dos sucessores para inovar e liderar efetivamente.

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Table of Contents

List of Abbreviations

AEF	Associação de Empresas Familiares
APA	American Psychological Association
GDP	Gross Domestic Product
IFERA	International Family Enterprise Research Academy
IEF	Instituto de Empresa Familiar

List of Figures

Table directory

1. Introduction

Family businesses are the backbone of many economies around the world and are essential for global and regional economic development (Rahman et al., 2017). Their role in economic stability and employment is substantial, with meaningful contributions to the promotion of entrepreneurship, job creation and local economic growth (Astrachan et al. 2003; Birdthistle & Hales, 2023). Despite their decisive influence, the significance of family businesses is frequently underestimated (Ratten, 2023; Chrisman et al., 2003). According to the European Commission, over 60% of all companies within Europe are family-owned, ranging from entrepreneurs to large international companies (European Commission, 2016). Given this profound impact, it is necessary to examine what defines a family business, identify its characteristics, and understand its unique challenges.

Family businesses are versatile and dynamic and are characterized by variables such as the sector they operate in, the company size and culture, and the involvement of the family (Birdthistle & Hales, 2023). These enterprises navigate unique difficulties related to balancing the interest of the family and the company, different family dynamics as well as transitioning to the next generation (Birdthistle & Hales, 2023). Ownership, control, and management in family businesses typically rest with one or multiple family members, granting them a direct role in decision-making and significantly influencing the company's strategic direction and daily operations (Birdthistle & Hales, 2023).

Exploring theories surrounding family businesses provides insight into the intersection of economic and non-economic realities within organizational life (Ibrahim & Ellis, 1994). Family businesses are fertile ground for understanding how various considerations, from economic strategies to familial dynamics, influence strategic decisions (Bjuggren, & Sund, 2001). A comprehensive understanding of family businesses must adopt a multidisciplinary perspective, acknowledging the complex interplay between family and business systems (Zachary, 2011). Empirical studies by Olson et al. (2003) underscore that both business outcomes and family outcomes are shaped by factors originating from both spheres.

Regarding the considerable impact of family enterprises on the global economy (Birdthistle & Hales, 2023), it becomes essential to ensure their survival for continued economic prosperity. Succession in family-owned businesses is one of the major milestones and key events in their lifecycle (Handler, 1994; Daspit et al., 2016). Without a capable successor, a family business is doomed to fail, underscoring the importance of understanding how successors contribute to business continuity and development (Gbadegeshin, 2013).

1.2 Relevance & Objective

The transition of leadership in family businesses is a critical area of research due to its significant impact on the continuity and success of these enterprises. Traditionally, the focus of research on family firms and business succession has been on the founder or owner as the central figure who is responsible for the efficient management of the transfer of power (Schein, 1983). However, there is a consensus in the field that the involvement of the next generation is crucial for a successful transition of power between generations (Patrick, 1985). This means that there are several important reasons for considering the next generation's representatives in family businesses (Handler, 1992). Given that a considerable number of family firms fail to transition to the next generation (Vera & Dean, 2005), it is crucial to obtain more information about the successors to acquire a deeper understanding of how they experience succession and ultimately manage the family business.

This research examines how the actions and decisions of predecessors influence the decision-making of successors in family businesses and how outcomes are perceived to differ when successors make autonomous decisions in comparison to being influenced in their decision-making process. This focus is of critical importance as the motivations, aspirations, and concerns of successors often distinguish themselves from those of their predecessors (Handler, 1992). Therefore, a differentiated understanding of the difficulties and needs of successors is required since it is eventually on them to preserve the family business.

When making decisions, successors in family businesses must constantly balance between the past and the future of the business (Radu-Lefebvre, 2021). Successors recognize that decisions based on the values and practices of the past facilitate intergenerational relationships and promote harmony in the family (Radu-Lefebvre, 2021). However, decisions based on their vision of the future can lead to conflicts between the different generations and misunderstandings (Radu-Lefebvre, 2021). This creates a paradoxical tension in family businesses that successors must manage, affecting their decision-making autonomy and personal well-being (Ingram et al., 2016).

While extensive research has been done on succession and the reasons for succession failure in family businesses (Chrisman et al., 2009), scant attention has been paid to the relationships between paradoxical tensions in family enterprises and the decision-making autonomy of successors. With only 30% of family-owned businesses successfully transitioning to the next generation (Vera & Dean, 2005), examining the experiences of next-generation family members and their decision-making autonomy can provide valuable insights into what is needed to improve these odds. Therefore, the purpose of this research is to fill the existing gap by addressing the following research questions:

- **RQ1:** How do successors perceive the influence of predecessors' actions and decisions on their own decision-making within family businesses?
- **RQ2:** How do successors perceive outcomes to differ when they make autonomous decisions versus influenced decisions?

The results of this study aim to provide valuable insights into decision-making in family businesses and offer practical recommendations regarding autonomous versus influenced decision-making. Moreover, this work contributes to bridging the gap between research on family businesses, organizational paradoxes and the sustainable future of family enterprises. It offers new perspectives on how paradoxical tensions and paradoxical thinking have an influence on the decision-making autonomy of successors. The findings will help family businesses to develop and implement strategies that facilitate a smoother transition of power and improve the decision-making ability of successors. Finally, this research aims to improve the chances of a successful generational transition in family businesses and provide both practical and scientific insights.

1.3 Course of the Investigation

This research has been thematically divided into six chapters. In Chapter 1, a well-founded introduction to the topic is given by explaining the relevance between the decision-making behavior of successors and the continued existence of family businesses. The research gap, the research questions, the theoretical and economic relevance as well as the main objectives of the study are outlined.

Chapter 2 provides a coherent explanation of family businesses, their economic importance, and their succession processes, based on the literature. It continues by diving into the relationship between predecessor and successor and pays special attention to the autonomy of the successor in terms of decision-making in family businesses. Subsequently, the paradoxes in family businesses are explained with a special focus on the model of the paradox of autonomy and control, which is experienced by the successor in the family business.

Chapter 3 explains the choice of methodology. This research adopts a qualitative approach using semi-structured interviews based on an interview guide. The interviews are conducted with 12 successors from several generations and different family businesses to determine the extent of their decision-making autonomy and the results of influenced and autonomous decisions. In addition, the method of evaluation based on content analysis following Mayring (2000) is presented and the detailed procedure for the analysis is outlined.

In Chapter 4, the results from the interviews are presented. Based on the results, a model is created with different, by the successors perceived, external and internal influencing factors on the decision-making process of successors in family firms as well as the differing outcomes. As a result of the content analysis after Mayring (2002), various categories were developed and the quotes from the individual interviews were assigned to different categories.

Chapter 5 consists of a summary of the results and answers the research questions. The results are analyzed regarding the theoretical background and similarities and differences are highlighted. Different limitations of the research are discussed and an outlook on future research directions is given. Finally, the practical implications for family businesses are explored and recommendations for improving the success of family businesses are given.

The final Chapter 6 provides an overall conclusion of the research results.

2. Literature Review

2.1 Definition of a Family Business

The term “family business” is often associated with a small or medium-sized company, where multiple generations are involved in the operations and the focus lies on its local production (Basco & Bartkevičiūtė, 2016). Yet, while this description does fit the image of many family-owned businesses, it does not begin to capture the different dimensions of family enterprises and the substantial impact family businesses have on the global economy (Bloch et al., 2012). The terms “family business”, “family-owned business”, “family firm” and “family enterprise” are hereafter used interchangeably, reflecting their common usage in the literature.

Family firms have received little attention in the general management literature, especially concerning the theories of the firms (Chrisman et al. 2003). This neglect persists, even though family businesses are, in terms of their contribution and overall number, a dominant form of organization worldwide (Beckhard & Dyer, 1983; Shanker & Astrachan, 1996). However, providing a precise definition of the term "family business" remains a major challenge when researching family businesses (Chrisman et al. 2005; Chua et al., 1999), since no jointly accepted definition exists within the research field (Harms, 2014). Furthermore, due to the absence of a standardized definition, very few countries worldwide have explicit database information to enable them to recognize family firms.

The absence of a universally accepted definition of what exactly defines a family business has resulted in diverse interpretations and criteria used by various researchers in this field (Birdthistle & Hales, 2023). The European Commission has proposed a *Common European Definition of Family Businesses*. According to this definition, a company is considered a family business if the majority of decision-making rights are controlled by the person(s) who founded or acquired the company or by their immediate family members, including spouses, parents, children, or direct heirs of the children. These rights may be direct or indirect. In addition, at least one family member or relative must be formally represented in the management structure of the company. In the case of publicly listed companies, the company is recognized as a family business if the founder or his family or descendants hold at least 25% of the decision-making rights resulting from their shareholding (European Commission, 2009).

Dyer extends this definition by stating that family businesses provide one unique resource compared to non-family businesses: the family capital (Allen & Gartner, 2021). Family capital is made up of human, social, financial, and other resources available to the family through their shared affiliation (Dyer, 1986). According to Dyer, this includes skills, knowledge, labor of family members, social connections, and reputation shared by family members and encompasses the family’s financial and other tangible assets (Allen & Gartner, 2021). In both the European Commission's and Dyer's definitions, it becomes clear that the business and the family are inseparably connected in family businesses.

2.2 Impact of Family Businesses on the Economy

The family business model is the most prevalent ownership business model globally, which has a significant impact on the economy worldwide (Osunde, 2017; Birdthistle & Hales, 2023). In Europe alone, family businesses account for more than 60% of all companies and comprise a broad spectrum of companies of all sizes and across various sectors (EFBN, 2009).

The widespread presence of family enterprises and their substantial contributions to the GDP are immense and thoroughly documented (Birdthistle & Hales, 2023). In Spain, family businesses contribute around 70% to the country's GDP and provide more than 75% of private employment (IEF, 2007). In Portugal, according to the *Associação das Empresas Familiares*, family businesses are estimated to encompass more than 70% of existing businesses, contributing to 50% of national employment and generating 65% of the country's GDP (AEF, 2019). In Germany, family businesses, often referred to as *Mittelstand*, are likewise pivotal to the industrial sector and build the backbone of the German economy (Klein, 2000). According to Klein (2000), they account for around 60% of all companies, contribute around 55% of GDP, and are responsible for 58% of private employment. The Institute for Family Business (2011) reports that family businesses in the UK comprise 3 million businesses, equivalent to two out of every three private sector businesses, providing 9.2 million jobs, and thus representing the largest source of private sector employment.

Family-owned businesses are also of crucial importance in non-European countries. For instance, in the Philippines, which serves as an example for Southeast Asia, family firms contribute 78% of the GDP. In the United States, family businesses constitute between 90% and 95% of all companies and account for approximately 57% of the GDP (IFERA, 2003). An estimated total economic impact of over 70% of the global GDP is attributed to family businesses around the globe (Osunde, 2017).

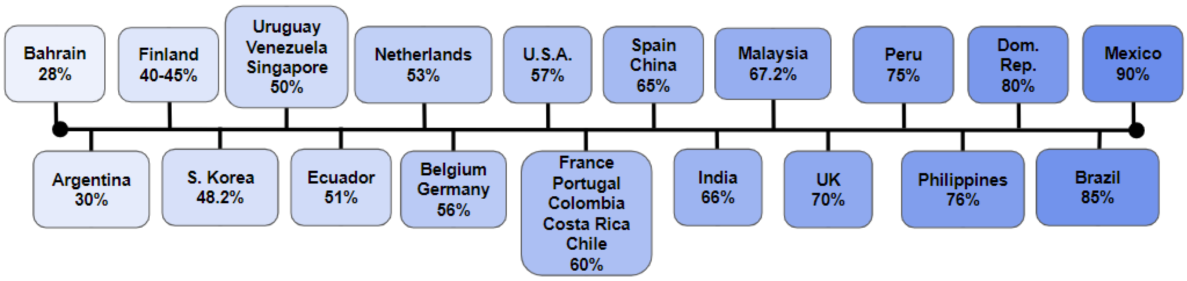

Figure 1. Percentage of Family Business Contribution to National Gross Domestic Product in Different Countries (Tharawat Magazine, 2016)

The achievements of family businesses become even more evident in some of the world's most well-known brands: The Walton family, owner of Walmart, generated sales of 572.8 billion dollars in 2022 and employed in 2024 so far over 2.1 million people worldwide (Walmart, 2024). In 2021, the Porsche family's ownership of Volkswagen, with a total revenue of 18.8 billion dollars, serves as another example of that impact (Statista Mobility Market Insights, 2022). The uniqueness of the family business model is not only reflected in its current economic impact but also in its long history. Coatinc, for instance, is a leading example of the outstanding longevity of family businesses as it holds the title of Germany's oldest family business, founded as a blacksmith in Siegen in 1502 (Deutsche Welle, 2023).

2.3 Family Business Succession

"Indeed, successors of multigenerational family firms are lifelong prisoners of a persistent moral dilemma: how to preserve and honor the company's history and the business family's past without jeopardizing its future." (Radu-Lefebvre, 2021, p.173).

Every family business must face at one point one significant challenge in their business: leadership succession (Bozer et al., 2017). Conventional wisdom shows that many family patriarchs wish for their heirs to continue the family legacy after their retirement (Calabrò et al., 2018). One of the reasons why the minority of family businesses succeed beyond the first generation is the lack of clear plans or structured processes for the implementation of succession (Santarelli & Lotti, 2005). However, research indicates that a company that manages to survive past the second generation is much more likely to survive subsequent generations (Greenwald, 1993). This increasing survival rate may be due to experience from previous succession plans, demonstrating the benefits of involving the next generation in the company and planning succession in a timely manner (Schulze & Dino, 1996).

Intergenerational succession can either be initiated, planned, and implemented during the entrepreneur's lifetime or deferred to be decided upon their death (Bjuggren & Sund, 2001). While succession challenges are universal, the transition approaches differ globally as each country has its unique legal system (Cohn, 1992). Since succession in family business is such a complex topic, multiple perspectives are needed to understand and explain it (Le-Breton-Miller et al., 2004). Those factors can be divided into two different domains: business and human (Aronoff et al., 2011). Business factors include, for instance, estate planning, transfer of ownership, and choice and development of the successor. Conversely, the relationship factors on the human side include a multilevel-system view that incorporates the relationship between owner and successor (Berkel, 2007), the family, and the entire relational system (Breunlin et al., 2001). Ensuring transgenerational continuity in family businesses requires two conditions: a viable business that offers products or services appealing to the customer and at least one family member willing to efficiently manage the company while adapting it to ensure its continued viability (Cohen & Sharma, 2016). Research by Cabrera-Suárez (2005) found that high-performing, sustainable family businesses have some common succession characteristics, such as a good relationship between predecessor and successor, and the successor's transition to leadership responsibility is gradual. In addition, the family business culture is learning and development-oriented and the successor is fully committed to the company.

2.4 The Relationship Between Predecessor & Successor

The inherent nature of family businesses is often more complex compared to non-family businesses, especially considering the difficulties arising from the interpersonal relationships that are crucial for long-term survival (Pieper & Klein, 2007). Research by Cabrera-Suárez et al. (2001) indicates that these relationships tend to be stronger in family businesses compared to non-family businesses and the relationship is strengthened by a high degree of trust between the different family members (Zehrer & Leiß, 2019). Such trust enables a more seamless flow of communication and familiarity, both of which are crucial for effective knowledge transfer within the business (Szulanski et al., 2004). Handler (1994) emphasizes the importance of a respectful and understanding relationship between predecessors and successors, noting that such a relationship fosters a supportive and satisfying work environment that is essential for a successful succession. Furthermore, trust between a predecessor and a successor not only acts as a competitive advantage but also significantly influences the behavior of the knowledge recipient, enhancing their ability to absorb and apply knowledge effectively (Szulanski et al., 2004).

In this context, the predecessor's role is of central importance, since the predecessor is considered the most valuable knowledge source within the family enterprise (Cabrera-Suárez et al., 2001). By overcoming various fears of succession, such as potential loss of power, the predecessor facilitates the transfer of knowledge and at the same time supports the successor during the transition (Bracci & Vagnoni, 2011). In turn, the predecessor may face various emotional challenges that can make this transition more complex. These difficulties may include losing one's own identification with the company or experiencing resistance to handing over the leadership role (Lansberg, 1998; Milton, 2008).

As a result, this resistance can hinder the succession process, as some predecessors may find it difficult to step back and build the trusting relationship required for a smooth transfer of knowledge. The willingness of a predecessor to share knowledge rather than retain it is critical to improve the transfer process and ensure the longevity and stability of the family business (Bracci & Vagnoni, 2011).

Therefore, creating an environment where these relationships are fostered through trust, respect and open communication can lead to more effective knowledge transfer, smoother succession, and greater business continuity. The relationship dynamic between predecessors and successors in family businesses is therefore crucial not only for the successful transfer of knowledge but also for the subsequent survival of the business.

2.5 Autonomy by the Successor

The American Psychological Association (APA) defines autonomy in two ways: Firstly, autonomy is seen as a state of independence and self-determination within an individual, group, or society. This is in line with the definition of Williams (2015), who specifies autonomy in a broader sense as the ability to be self-governed, to own a high degree of self-determination, and to be independent of others.

Secondly, within the framework of self-determination theory, the APA definition describes autonomy as the ability to act on one's initiative and to not feel pressured. This form of autonomy, which Williams (2015) associates with the philosophical concept of acting according to one's own rules and principles, is seen as a fundamental psychological need, resulting in a sense of well-being.

Research by Allen et al. (2015) has shown that, in terms of entrepreneurial situations, managers should exercise minimal rather excessive control to foster innovation. This business concept can be similarly applied in the context of families. Allowing for a degree of autonomy creates space for exploring new and innovative approaches to addressing challenges (Allen & Gartner, 2021). Individuals are also encouraged to explore their own talents and abilities and utilize them in their own way, rather than having them prescribed by parental expectations. As families adopt an approach that allows autonomy toward achieving key goals and expectations, family members are more inclined to embrace entrepreneurial approaches (Allen & Gartner, 2021).

Furthermore, research has shown that excessive control by the incumbent leads to successors feeling frustrated, which impairs the successors' ability to gain autonomy (García-Álvarez et al., 2002; Pitts et al., 2009). Conversely, ceding authority and providing guidance and support generates positive feelings among successors, which empowers them and facilitates the transition of the organization (Schuman et al., 2010; Sharma et al., 2003).

2.6 Paradoxical Tensions in Family Businesses

Paradoxes are prevalent in organizations and can be characterized by "contradictory but interrelated elements that exist simultaneously and persist over time" (Smith & Lewis, 2011, p. 382). Family businesses are inherently paradoxical due to the coexistence of conflicting yet interconnected systems involving both family and business (Basco & Perez-Rodriguez, 2009). Family members in family enterprises belong to several reference groups, such as the family, the company, and the shareholders, which can lead to conflicting role expectations and internal contradictions (Faherty et al., 2016). As a result of different perspectives, values, and goals, these paradoxes can both impede and promote innovative behavior (Schuman et al., 2010). The unique setting of family firms, influenced by familial ties (Eddleston et al., 2010), family goals and values (Cassia et al., 2012), and non-rational decision-making (Davis & Tagiuri, 1989), sets them apart from traditional organizational problems. This environment in and of itself presents paradoxical tensions that complicate decision-making and hinder innovation.

To effectively navigate paradoxical tensions, leaders must adopt paradoxical thinking, a more fluid and holistic mindset (Smith & Lewis, 2011). With the help of paradoxical thinking, managers can comprehend and merge contradictory requirements and thus unlock the positive potential of paradox (Lewis, 2000; Smith & Lewis, 2011). A lack of paradoxical thinking leads to a one-sided approach to solving paradoxical tensions, which can prove counterproductive (Smith & Lewis, 2011). Focusing on only one side of this paradoxical tension increases the need for the other side, which causes anxiety in the decision-maker and even paralysis in the decision-making process (Lewis, 2000). In contrast, paradoxes can foster creative problem - solving and stimulate innovation in family businesses (Ward, 2009). Managers who can think paradoxically can leverage the positive potential of paradoxes and promote organizational adaptability and innovation (Schuman et al., 2010).

Researchers have identified three primary paradoxical tensions within family firms: tradition versus change, family liquidity versus business growth, and founder control versus successor autonomy, as illustrated in Figure 2 (Radu-Lefebvre, 2021).

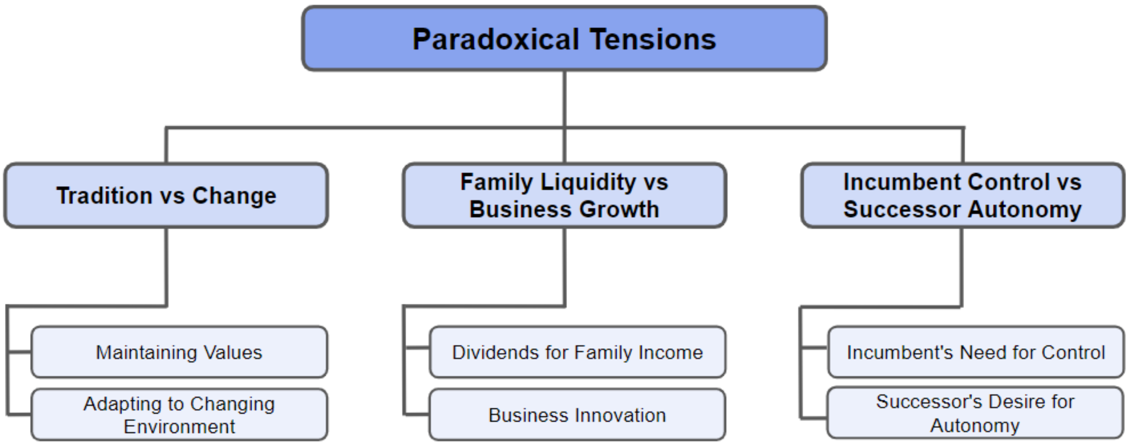

Figure 2. Paradoxical Tensions within Family Businesses (self-developed based on Radu-Lefebvre, 2021)

The tension between tradition and change, for example, can become evident in the struggle to adapt to a new environment while retaining deeply rooted values (Zellweger et al. 2012). Family liquidity versus business growth unveils another domain rich with paradoxical tension, as it raises the question of whether the priorities lie with the family or the business (Tapias & Ward, 2008). Even though every organization encounters decisions regarding its liquidity, for a family firm, this tension becomes more delicate (Ingram et al., 2016). This tension becomes even more problematic as family firms mature, with some family members relying on dividends for personal income while others prioritize growth and innovation (Miller et al., 2007). One of the most critical aspects of the leadership transition to the next generation is the tension between the control of the incumbent and the autonomy of the successor (De Massis et al., 2008). The balance between the incumbent's control and the successor's autonomy is a complex task in ensuring successful leadership transitions in family businesses (McAdam et al., 2018). Overcoming this paradox is the key to an effective transfer of family business between generations. For this research, the focus will be on the paradox of control and autonomy, which will be discussed in more detail in the following sections.

2.6.1 Paradox of Control and Autonomy

The maintenance of control by the incumbent whilst promoting the autonomy of the successor presents a complex challenge when it comes to ensuring a successful generational leadership transition in a family business (McAdam et al., 2018). This paradox emerges as a paradox of belonging and performance (Jarzabkowski et al., 2013; Smith & Lewis, 2011), given that individuals within the family business take on distinct but concurrent social roles both within the family, the business, and the business ownership system (Gersik et al., 1997; Tagiuri & Davis, 1992).

The tension between belonging and performance intensifies the conflict between the incumbent's need for control and the successor's desire for autonomy. Resolving this paradox requires the adoption of conflicting but complementary roles that influence emotions and relationships (Jay, 2013). According to research, autonomy and control can coexist (Gilbert, 2013). To overcome this paradox, Schuman et al. (2010) recommend setting guidelines and integrating the next generation while granting autonomy to the successors. Garcia-Alvarez et al. (2004) describe the founder dependency, where the incumbents retain control while trying to empower the successors. According to Pitts et al. (2009), the continued involvement of the founder can also affect the successor's ability to innovate.

Therefore, it is important to find the right middle ground in family-owned businesses by utilizing the knowledge and experience of the predecessor while granting autonomy to the successors to solve the paradox of control and autonomy. Hence, effective strategies for resolving this paradox in family businesses will in the following be researched and described. The aim is to develop a nuanced understanding of how these two dynamics can be reconciled to support both the continuity and development of the family business across different generations.

3. Methodology

3.1 Research Design

Research describes the process of collecting, analyzing, and interpreting data to increase the understanding of a phenomenon about which we are interested or concerned (Leedy & Ormrod, 2001). Three prevalent methodologies for conducting research include quantitative, qualitative, and mixed methods (Williams, 2007). For research questions that require numerical data, a quantitative approach is typically utilized, while a qualitative approach involves textual data. A combination of both numerical and textual data is used in a mixed-method approach (Williams, 2007).

Qualitative research is an umbrella term that encompasses various approaches and methods for researching the complexity of everyday social phenomena (Saldana, 2011; Flick, 2002). It starts with underlying assumptions and examines research problems by investigating the interpretations individuals or groups give to social or human issues (Creswell, 2007). Within qualitative research, scholars adopt an emerging qualitative approach to inquiry, emphasizing data collection within natural settings that are sensitive to individuals. In this method, extensive verbal, visual, or audiovisual data is deliberately generated in a relatively unstructured manner across a small number of cases and analyzed interpretatively (Bortz & Döring, 2016). By using an inductive approach, the data is analyzed with the primary goal of identifying specific patterns or themes arising from the interviews (Creswell, 2007). Such a level of detail is most effectively achieved through direct interaction with individuals who can share their narratives without the influence of specific expectations or prior literature (Creswell, 2007). Interviews and observation are recognized as the most common qualitative methods (Creswell, 2007).

As the complexity of interpersonal relationships and sociocultural dynamics in family businesses is at times difficult to quantify, the use of a qualitative research method allows these complex aspects to be explored. Using personal interviews, this methodological approach should provide valuable insights into the subjective experiences, attitudes, and behaviors of successors involved in family businesses. In addition, the inductive approach of qualitative research facilitates the organic emergence of themes and patterns from the data collected (Forman & Damschroder, 2007). For the purposes of this study, such an investigative approach can reveal unexpected insights and shed light on the underlying factors that contribute to the paradox of control and autonomy in family businesses. This underlines why the qualitative approach is most suitable for this work.

3.2 Data Collection Method

In qualitative data collection, the interview method distinguishes itself from other qualitative data collection methods, such as observation, by its capacity to capture subjective experiences like emotions, opinions, and beliefs, as well as events or behaviors that are not directly observable (Bortz & Döring, 2016). Among qualitative interviews, different categorizations usually distinguish between unstructured, semi-structured, and structured interviews (Bernard, 1988; Fontana & Frey, 2005). Unstructured interviews involve the collection of data through observation, recording of field notes, and direct interaction with the research participants (Jamshed, 2014). In a structured interview, predetermined questions are posed as part of an interview guide, which is asked in the same way to all interviewees and aims to generate answers using identical wording (Lingard & Kennedy, 2010). In qualitative research, semi-structured interviews are most used, which involve either individuals or groups (DiCicco-Bloom & Crabtree, 2006; Bortz & Döring, 2016). Semi-structured interviews are preferred as a method of data collection when the researcher's goal is to gain insights into the participant's unique perspective rather than a general understanding of a phenomenon (McGrath et al., 2019). For this reason, semi-structured interviews were employed in this research to effectively capture the detailed experiences and insights of the family business successors and to ensure a comprehensive and contextualized understanding of the topic of decision-making within family enterprises.

In a semi-structured interview, an interview guide is utilized which provides a framework of questions or topics that the interviewer can address during the interview (Jamshed, 2014). This interview guide typically consists of 5 to 15 predetermined questions (Lingard & Kennedy, 2010), while further questions may arise from the interaction between the interviewer and the interviewee (DiCicco-Bloom & Crabtree, 2006). A distinctive aspect of qualitative interviews is that the progression of the interview is influenced more by the interviewee rather than the interviewer (Bortz & Döring, 2016). The interview guide thus provides a framework for the research topic, which is used for data collection and subsequent data analysis. Additionally, adhering to the guide consistently ensures that data from different interviews can be compared effectively (Mayer, 2013). The complete interview guide can be found in Appendix A.

3.3. Sample Selection & Participants

In researching the decision-making processes of successors in family businesses, the sample selection naturally encompasses successors from different generations within various family enterprises. To be classified as a successor, individuals in the sample were required to have either taken over the family business from their predecessors or be currently working alongside them, with the intention of assuming control of the business in the future. By including various interview partners, the aim was to capture a broad spectrum of economic sectors. Furthermore, it ensured that the sample exhibited both homogeneity and heterogeneity simultaneously, thereby allowing for variation experience to obtain meaningful results from the qualitative data material (Mayring, 2002). Hence, emphasis was placed on ensuring diversity in terms of cultural background and age. Following the recruitment of participants from both personal and professional contexts, as well as through direct messages on LinkedIn, a total of 15 individuals were contacted via personal interaction, email, or telephone. A combined total of 12 participants, encompassing both pre- and post-succession phases, were included in the study. Following a review of the consent form and an overview of the study's objectives, all participants consented to participate. A set of closed questions regarding participant demographics were posed at the outset of each interview. The age range of participants spanned from 27 to 68. Additionally, nine successors were in the second generation of their family business while three successors were in the third. Participants represented a variety of different industries, including Shoe and Fashion Retail, Plastics Manufacturing, Food Distribution, Real Estate, Childcare Services, Souvenir Production, Non-Profit Organizations, Construction, Insurance, and Live Seafood Distribution. This diversity of industries played a critical role in understanding the wide range of difficulties and decision-making processes perceived by successors in different economic contexts. Table 1 provides an overview of the interviewees. It is important to note that the order of the table, in which the overview of the interviewees is presented, does not reflect the sequence or numbering of the participants, and was randomly selected to avoid any direct or indirect identification of the successors involved.

Tabel 1. *Overview of the Sample*

Gender	Birth Decade	Generation	Company Founded	Number of Employees	Country of Operation
Male	1990s	2nd	1980s	< 50	Germany
Male	1990s	2nd	2010s	< 50	Portugal
Female	1990s	3rd	1950s	< 50	Germany
Male	1980s	2nd	2010s	< 10	Austria
Male	1960s	3rd	1930s	< 50	Germany
Male	1980s	2nd	1990s	< 250	Philippines
Male	1980s	2nd	1980s	< 250	United States
Male	1950s	2nd	1950s	< 50	Germany
Male	1990s	2nd	1980s	< 250	United Kingdom
Male	1990s	2nd	2000s	< 50	Germany
Male	1990s	2nd	1990s	< 10	Spain
Male	1970s	3rd	1940s	< 250	Germany

3.4 Research Procedure

3.2.1 Construction of the Interview Guide

In interviews, the interview guide plays an important role in directing the conversation to specific topics. The interview guide is developed based on the thematic content and the research questions of the research study (Bortz & Döring, 2016). It was divided into three thematic sections: The introduction, the main part, and the conclusion.

Starting with the introduction, it is first necessary to collect demographic information from the participants to gain an understanding of the characteristics of the study population (Bortz & Döring, 2016). Therefore, the introduction part of the interview covered the participant's name, gender identification, and birth year. Following this, additional questions related to the family business were presented, including the generational status of the family business, when the business was founded, the number of employees, and the industry in which it operates. This approach aimed to provide a comprehensive understanding of the family-owned business and its operations.

The main part of the interview contains 10 core questions and several sub-questions, which are divided into two sections. The initial five core questions center on successors' decision-making within family businesses. Questions 1 and 2 explore the extent of autonomy experienced by successors in their decision-making processes, followed by an evaluation of the significance of family traditions and past decisions in shaping the decision-making framework. Question 3 investigates the successors' perspective on balancing the respect for their predecessor's legacy with the introduction of new ideas and initiatives. Question 4 examines the potential challenges associated with reconciling tradition with the need for organizational change or adaptation. Furthermore, the guide covers the perceived pressure that successors may feel to maintain established aspects of the family business legacy in question 5. The second section examines the different perceived outcomes of autonomous and influenced decision-making. The focus lies on the effects and experiences resulting from the various decision-making processes. Question 6 asks the interviewees to recall a business decision made autonomously, discussing their feelings about the decision and its business outcomes. Question 7, which is designed to reflect on a decision that was influenced by a predecessor, explores the emotional experience and the impact of the decision on the organization. Question 8 examines participants' experiences of autonomous decision-making within the family business by asking them to name one advantage and one disadvantage of the autonomous decision-making approach. Similarly, question 9 assesses the dynamics of decision-making under the influence of predecessors or family traditions and invites participants to formulate one advantage and one disadvantage of this approach. Finally, Question 10 encourages successors to discuss how the learning experience from the family business values has shaped their management approach. During the concluding part of the interview, participants are thanked for their valuable insights and allowed to ask further questions or discuss their role as a successor in the family business.

Before proceeding with the main study and conducting interviews with successors, the interview guide is subjected to a trial interview for evaluation. This process allows for the identification and refinement of any unclear, problematic, or overly complex formulations (Mayer, 2013). As a result of two preparatory interviews, the wording in questions 6 and 7 was changed from "experience" to "feel" to ensure that participants focused on describing their feelings rather than recounting experiences. The wording of question 10 was similarly corrected from "What have you learned?" to "How do you perceive the learning experience […]?". The aim was to capture more precisely the essence of what the family business stands for and the impact it has on personal development and values. A more specific formulation of the questions makes it possible to obtain more precise and valuable insights from the respondents to better align the results with the objectives of the study.

3.2.3 Conducting the Interviews

After first contacting the interviewees via LinkedIn or email and obtaining their consent to participate, a mutually convenient date and time for the interview was arranged. All interviews were conducted via phone call or Microsoft Teams, with the interviewee's consent obtained prior to the call. Given the difficulty of controlling the environment or potential disruptions during the phone calls, participants were asked to be in a quiet, distraction-free environment before the interview to ensure minimal interruptions. The interviews lasted between 26 and 54 minutes with an average interview time of 35.67 minutes. As a result of interviewing different nationalities, the language of the interviews was either German or English, with the interview likewise translated in both languages. All interviews were recorded. To achieve a more effective capture of interview data, recording the interviews is considered a suitable choice (Jamshed, 2014). Table 2 illustrates the interview language of the participants as well as the individual length of the interview.

Tabel 2. *Overview of the Interview Language and Duration.*

Participant	Interview Language	Interview Length in Minutes
P1	German	28
P2	German	54
P3	German	29
P4	English	40
P5	German	33
P6	English	46
P7	English	39
P8	German	33
P9	German	26
P10	German	32
P11	English	26
P12	English	42

The interviews were subsequently transcribed and processed. Transcription involves converting spoken language, such as that from interviews or group discussions, into a written format. Although creating transcripts requires considerable time investment, it is indispensable for a thorough analysis of the interviews (Mayring, 2002). The transcription tool HappyScribe was used to transcribe the interview into written text as it offered the possibility to detect and transcribe interviews into multiple languages.

3.6 Analysis of Results

After gathering the data, the conversations were processed during the post-collection phase. The analysis aims to identify common themes across the interviews by comparing the texts (Meuser & Nagel, 1991). Following the transcription of the interviews, the content was coded and analyzed using Mayring's (2000) qualitative content analysis approach, which is shown in Figure 3.

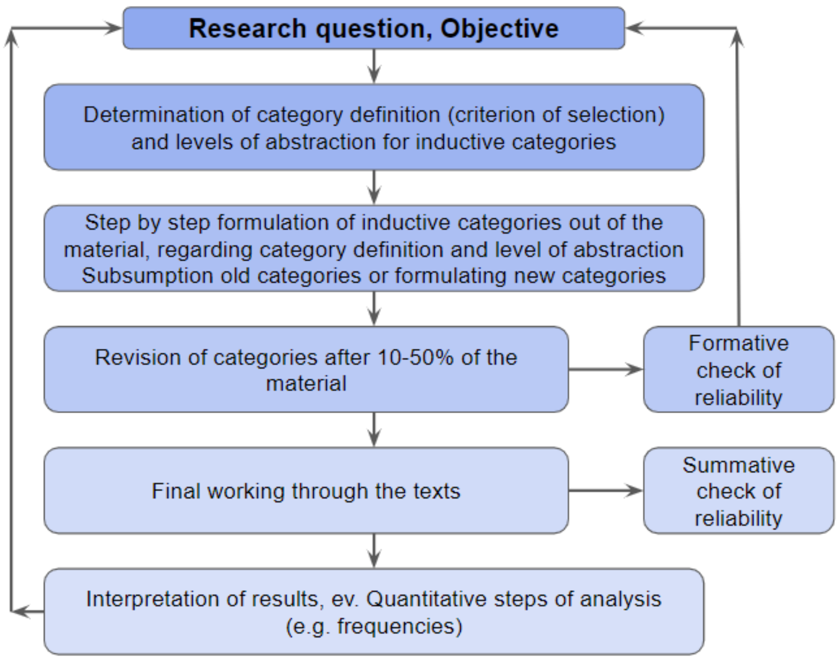

Figure 3. Step Model of Inductive Category Development (Mayring, 2000)

The general procedure of Mayring's (2000) inductive content analysis model consists of first establishing a definition criterion based on the research question and the theoretical background. This criterion determines which aspects of the text material are considered in the analysis. The material is then carefully analyzed, and categories are developed gradually. A feedback loop enables these categories to be continuously revised. This constant refinement may result in the individual categories being reduced to more comprehensive main categories to ensure that they accurately reflect the content and are consistent with the research objectives. The meaningfulness of these categories is also critically evaluated throughout the analysis. To simplify the coding process, the software MAXQD was used to upload the transcripts and build different colored codes. An overview of the coding process in the software can be found in Appendix B. Each interview was then analyzed and segments from the interviews were assigned to the different codes. The different categories and an example of the various codes and the corresponding interview segments can be found in Appendix C.

4. Results

4.1 Influencing Factors on Successors' Decision-Making in Family Businesses

Through an inductive analysis based on Marying's (2000) method of qualitative content analysis, five distinct categories emerged: Influence of family tradition and past decisions, navigating legacy and change, guidance from predecessors, successors' emotional responses to decision-making, and outcomes of different decision-making approaches. These categories were then incorporated into a framework that formed the basis for the model of Decision Influences and Outcomes Model for Family Businesses, illustrated in Figure 4.

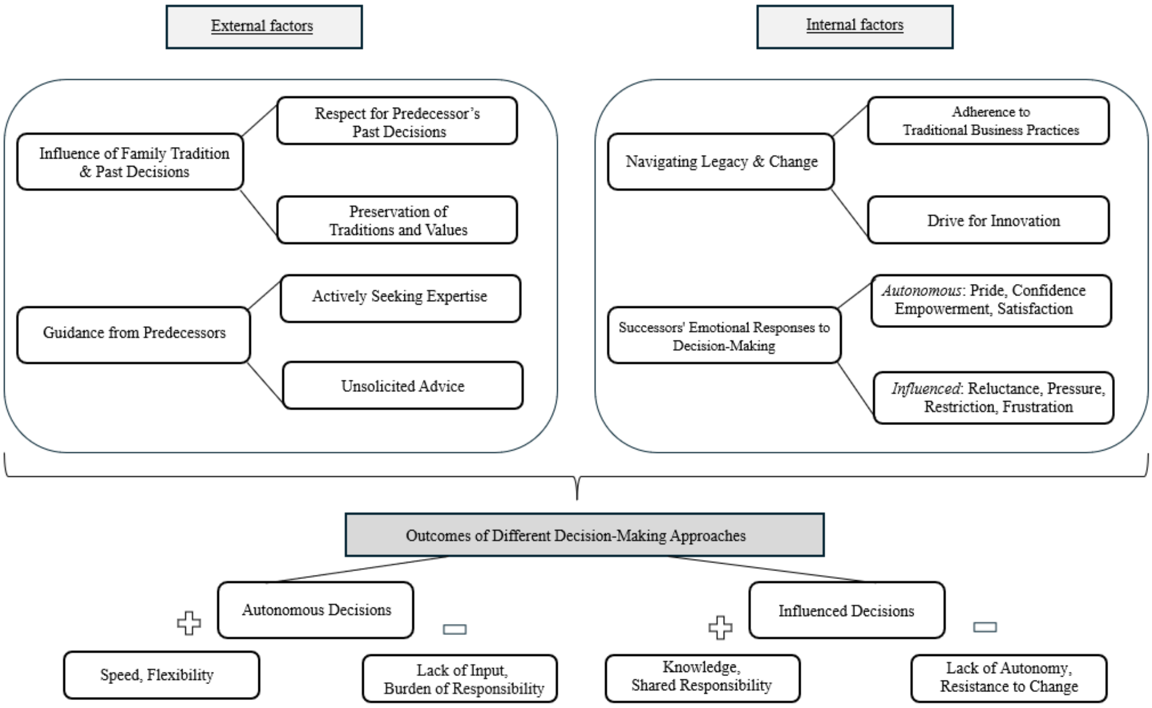

Figure 4. Decision Influences and Outcomes Model for Family Businesses (self-developed based on the interviews)

This approach allowed the creation of a model that provides an immediate and comprehensive overview of all the factors by which successors perceive to be influenced when making a decision, alongside the outcomes of different decision-making approaches. The categories were classified in either external or internal influencing factors. External factors encompass the influence of family traditions and past decisions, which are further divided into the respect for predecessor's past decision and the preservation of tradition and values. The category guidance from predecessors, including actively seeking advice and unsolicited advice, was furthermore recognized as an external influence. Internal factors were identified as navigating legacy and change, encompassing adhering to traditional business practices and the drive for innovation. The category of the successor's emotional responses to decision-making, as an internal factor, was separated into autonomous and influenced responses. Autonomous responses included pride, confidence, empowerment, and satisfaction, while responses that have been influenced encompassed reluctance, pressure, restriction and frustration. Finally, the perceived outcomes of successors' decision-making within family enterprises encompass positive and negative aspects of autonomous decision-making as well as influenced decision-making. A specific examination of the different categories is presented in the following. The participant acronyms are explained in the glossary.

4.2 Influence of Family Tradition & Past Decisions

The significance of family traditions and previous decisions in family businesses varies considerably according to the statements of the successors. A deep-seated influence from tradition is expressed in certain family businesses (P7), especially where traditional structures such as patriarchal leadership persist. Commenting on tradition, one of the interviewees stated: "Being in [a family of my family's ethnicity], it's very patriarchal; the head of the household has the final say. There isn't much debate in terms of arguing certain points, which is highly reflective of how the family business is run as well" (P7). The successor indicates the profound impact that family and cultural traditions have in both environments, the family, and the business. Most participants agreed with the statement that the decisions of predecessors, which are seen as largely successful, form a strong benchmark against which current decisions are measured (P2, P3, P7, P11, P12). As one interviewee puts it: "I also have a tremendous amount of respect for the predecessor, so I assume that decisions they have made in the past were well-informed and well thought out" (P12).

Other successors mention that it is important to preserve traditions, but not at all costs: "What can be preserved will be preserved, but it has to make sense and not just simply be preserved for its own sake" (P10). The challenge of adapting these traditions to modern practices is a common theme for successors. Concerns regarding the compatibility of tradition and change were more widespread, as several successors felt that while traditions are important, they need to be adapted to current market and business realities (P3, P6, P9, P10).

One concern expressed regarding tradition was that tradition grows over time, hence it may be less pronounced in younger family businesses or those with less deeply rooted practices (P1, P8). The comment of one successor illustrates "[...] that it's also in the nature of the company that it's only [a certain number of years] old, that there's a lot of upheaval and there aren't necessarily traditions that still exist that [the successor is] carrying on" (P8). The differentiated approach to tradition and innovation is indicated by successors who value past achievements while actively seeking to introduce new ideas and practices (P1, P5, P8), as stated by one participant: "I don't think I really had much of an influence on tradition [...] because this area has also been newly created for digital initiatives, I don't think it's really relevant either" (P1). Overall, the different statements made by the successors regarding traditions in their family business indicate that, although traditions are generally considered important, they must be in line with the future of the company and not impede it.

4.3 Navigating Legacy & Change

As part of this research, participants were asked whether it is important for them to manage legacy and change in their family businesses, and if so, how they manage to preserve tradition while fostering innovation. From the overall responses of the successors, different perceptions towards the balance of legacy and change emerged. These were categorized into low, medium, and high levels of difficulty, depending on how difficult the successors considered it to balance traditional values with innovation. In the following sections, each perception of difficulty is explained using examples from the interviews. Figure 5 is used to illustrate the successors' perception of the difficulty in balancing legacy and change in family firms.

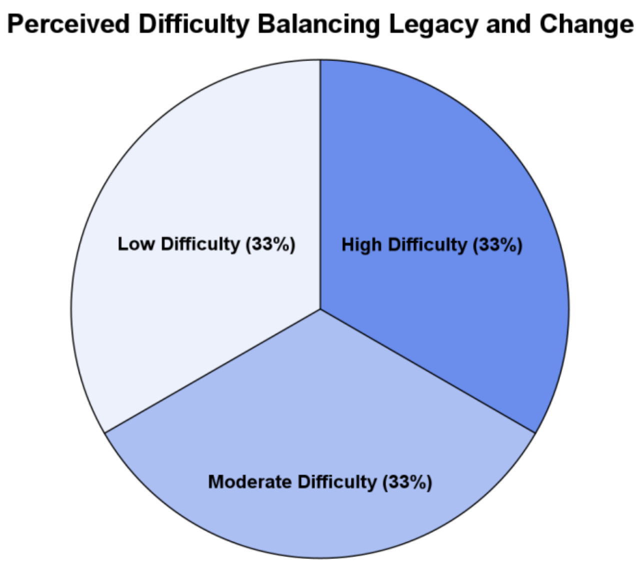

Figure 5. Perceived Difficulty of Balancing Legacy and Change amongst Successors (self-developed based on the interviews)

4.3.1 Low difficulty

Successors who expressed that they do not find it difficult to reconcile tradition and innovation, and who therefore perceive little difficulty in balancing the tradition with change, operate in a field where their business models require constant adaptation and where their predecessors are open to change (P1, P2, P4, P11). The low perceived difficulty is indicated by one participant in stating: “We are currently experiencing a radical change in our industry [...]. We must be very open to completely different and new approaches” (P1). This setting facilitates the smooth integration of new practices without significant resistance, allowing these successors to implement innovative changes seamlessly alongside traditional business practices. In addition, some successors place less emphasis on traditions and focus more on innovation, thus eliminating the need for a balancing act for them. P2 comments on this topic: "No, it was not a balancing act because we did a lot of new things. [...] We broke a lot of new ground and therefore didn't necessarily take into account the way things were done before".

4.3.2 Moderate difficulty

Successors who find it somehow difficult to preserve the values and tradition of the family business while driving organizational change (P3, P6, P8, P9) often face changing market conditions and economic situations that require thoughtful adaptations within the business. These individuals regularly evaluate whether traditions are both necessary and indispensable to preserve and when they impede progress and therefore should be deprioritized. This entails maintaining tradition in the manifestation of values rather than strict adherence to outdated practices, which requires careful navigation to reconcile traditional values with current market demands (P9). P3 describes that this also includes careful navigation with the predecessor: “I know [the predecessor’s] view on a lot of things and then I try to teach [the predecessor] that you might not necessarily be able to do that this way anymore. But of course, I understand that some things have simply gone the way they have for a very, very long time”. This indicates that this balancing act also includes the question of how the successors shape change with the traditional, well-established mindset of their predecessors.

4.3.2 High difficulty

P5, P7, P10, and P12 experience high difficulty in simultaneously balancing tradition and change due to reluctance from predecessors to embrace change alongside the rapid evolution of market demands, such as the shift towards online platforms. Especially, predecessors “[...] pushback against every new thing that [the successor wants] to introduce” (P7), which often hinders them from trying to change certain business areas that they consider to be modifiable or in need of adaptation. However, it is not only the predecessors of the family business that are reluctant to change; the employees of the family business sometimes also play a role in the stagnation, as described by P5: “All the people who work at the company have been working there forever [...]. In other words, they are all very stuck in the way things must be, the way processes are”. As a result, successors indicate that they find themselves in a struggle to drive necessary innovation while overcoming the deep-rooted skepticism and resistance of older generations in the company who adhere to traditional business practices.

4.4 Guidance from Predecessors

When asked if they seek advice from their predecessor, most respondents indicate that they actively solicit guidance and advice from their predecessors, often due to the predecessors’ established expertise in specific business areas or their general entrepreneurial acumen. A common view among interviewees is that solicited advice is usually sought in scenarios that require specialist knowledge or in strategic decision-making processes, where successors admit to lacking that specific know-how (P1, P3, P7, P8, P11, P12). One participant described this exchange: “[...] I had a specific plan and I told [the predecessor] about it. [The predecessor] then gave me [their] opinion by either saying: ‘Yes, I would do the same, I think it's a good idea’ or by saying ‘[Child], be careful’” (P2).

A contributing factor to this, as mentioned by several successors, is the differing educational backgrounds between the predecessor and the successor: “These are things [...], I don’t really know much about it, because I’m a trained businessman. My father [has formal advanced education in the company's industry]” (P3). Additionally, this knowledge stems from years of operating the business, thereby accumulating significant expertise. In business areas in which knowledge and experience are gained through interaction with customers or other business professionals, the successors claim that predecessors have the advantage in terms of skills and knowledge (P11).

However, the exchange of advice is not exclusively from predecessor to successor; it is often reciprocal, especially in areas surpassing predecessors' expertise such as technological innovations or language barriers, where successors are frequently called upon: “Especially with foreign projects, when we have conference calls [...], I'm often the one who speaks because I'm the only one who can speak English well” (P3).

In contrast, a small number of successors indicate that advice is frequently given even when it has not been requested. P10 refers to guidance as being “not sought but received anyway”, which can lead to disagreement if the advice conflicts with the successors' views on what is best for the business (P5). Therefore, some successors express feeling a certain resistance towards some advice if it is either imposed on them or they do not agree with it (P5). If the advice is not solicited it can even lead to potential conflicts amongst family members and reluctance of the successor to follow the advice.

4.5 Successors' Emotional Responses to Decision-Making

Next, the interview delved into the successors' emotional responses to decision-making within family enterprises. To gain a comprehensive understanding of this subject, the interviewees were asked specific questions about both autonomous and influenced decision-making processes. The successors were also invited to recall specific examples in which they had made decisions either autonomously or under the influence of predecessors. The questions aimed to determine the emotions associated with the decisions. Additionally, the perceived impact on the company as well as the advantages and disadvantages of each type of decision were to thereby be identified.

When asked about their perceived level of autonomy within the family firm, nine out of the 12 participants described it as adequate. This indicates that most successors interviewed generally feel empowered to make decisions independently within their areas of responsibilities, as indicated by P12: “I consider it to be adequate because we each have our own areas of expertise”. Successors who perceive their autonomy as adequate either observe that they have complete independence, making decisions without consulting others (P1, P2, P3, P8, P9, P11, P12) or acknowledge having limited autonomy in certain areas but still view this level of autonomy within their family business as appropriate (P4, P6). This encompasses making decisions completely autonomously with the freedom granted by the predecessor, as well as having certain limitations in terms of consultation with or approval from predecessors. These successors do not seem to be bothered by limited autonomy, as they state that it does not concern them and that they do not yet have the expertise to make all decisions completely independently, according to P4: “Their guidance and their values is something I act upon”. One aspect that emerges among successors with a high perceived level of autonomy: they navigate their areas of the business independently (P1, P2, P8, P12). The division of responsibilities between predecessors and successors proves to be a high indicator for the perceived level of adequate autonomy.

In contrast, three of the 12 successors deemed the level of autonomy inadequate. A recurring theme among these successors is their desire to contribute more and have autonomy over specific areas. However, they perceive predecessors as unwilling to provide them with that level of autonomy or as prone to scrutinizing their decisions (P5, P7, P10). Commenting on inadequate autonomy, one of the interviewees describes the reaction to new ideas from the predecessors as the following: “[they say]: 'Why? We've always done it this way. It's always been great so far […] So, we'll keep doing it this way’” (P5). How successors perceive autonomous or influenced decisions is explained in depth in the next section.

4.5.1 Emotional Impact of Autonomous Decision-Making

Participants were instructed to recall a decision they had made autonomously (i.e., without being influenced or impacted by any external factors) within the family business. All 12 successors recalled such decisions, which varied in scale from minor and somewhat trivial to significant and impactful business decisions. As a result, successors expressed a wide range of emotions and feelings when making autonomous decisions within their family business. Some reported feelings of “pride” and “empowerment” (P11, P12), while others stated they felt “supported” and “secure” within their family framework (P9), or “confidence” and “satisfaction” (P11) about their making that decision. P4 stated that autonomous decision-making made the successor feel “good in terms of having freedom and autonomy, which is always a good thing to have with work”. The expressed emotions indicate trust in the successors’ own judgment and the ability to navigate challenges. P3's response about feeling “good” and “convinced” about making the right choice furthermore indicates a high level of assurance and certainty in their independent choice. Moreover, there was a noticeable enthusiasm among successors for making decisions independently, a process with which they were already familiar (P2, P10).

However, some successors reported mixed feelings, where “satisfaction” was accompanied by “apprehension” indicating a recognition of the potential risks and responsibilities associated with independent decision-making (P8). This suggests that, while successors aspire to and value autonomy, they also recognize the associated consequences, such as accountability and the overall impact of their decisions, and thus approach them with a degree of respect.

4.5.2 Emotional Impact of Influenced Decision-Making

To explore how successors experienced limitations in their autonomy resulting from being influenced in their decision-making, they were encouraged to recall a decision within the family business where they were influenced by a predecessor, whether through direct instructions or indirect suggestions. Two successors mentioned that they were given "a completely free hand" (P2) by the predecessor and had a “very harmonious relationship”, therefore they couldn't recall any such situation (P2, P9). Nine successors were able to recall occasions when they felt influenced in some way by their predecessors. They shared a range of emotional responses when asked how this influence impacted them. Some successors expressed feelings of “reluctance” and “pressure” from the influence, experiencing “resistance” to the decisions being imposed on them (P4, P6). Furthermore, one participant felt “restricted in [their] autonomy and restricted in [their] scope of action” and the feeling of being treated not on eye-level with the predecessor but “ultimately just an employee who implements decisions made by the manager” (P8). Another successor noted that this was a frequent experience, yet they "pick [their] battles" to manage such situations (P7). The most frequently reported emotion among the successors when influenced was frustration (P1, P5, P6, P7, P8, P10). One successor explains this emotion by having to implement ideas with which they disagree: “Obviously, that makes me frustrated because I have to do the silly work where I'm actually thinking to myself: ‘Why?’” (P5). Another participant feels a sense of frustration when coming to the realization that not all things in the family business are operating as the successor would prefer them to be: “Well, this isn't the best thing that we could be doing for the employees or for the customers. We're focusing more on short-term profit, rather than long term sustainability and customer happiness.” (P6).

However, some successors also indicated that they feel indifferent to being influenced (P3), acknowledging that they and their predecessor "ultimately work for the same cause" (P11). In fact, they valued having someone to share responsibilities with (P12). Overall, most successors report feelings which are negatively connotated towards influenced decision-making while a few successors appear to be either indifferent to it or even support it.

4.6 Outcomes of Different Decision-Making Approaches

To answer the second research question on different outcomes of decision-making, participants were tasked with identifying the perceived advantages and disadvantages of making autonomous decisions versus influenced decisions. The results accurately reflect the successors' own experiences and feelings.

4.6.1 Perceived Outcomes of Autonomous Decisions

Autonomous decision-making in family businesses offers a series of advantages, as perceived by the majority of successors. Especially relevant and frequently mentioned is the speed and flexibility it offers (P1, P3, P5, P8, P12). Successors emphasize that autonomy allows for ideas to be tested and implemented more quickly: “I would generally say that autonomous decisions are quick decisions” (P8). Additionally, one participant claims that being the person in charge of a decision generates a sense of fulfillment and responsibility (P2). Autonomy is also perceived as an incentive for initiative and encourages successors to take the lead and drive positive change (P3). Moreover, autonomy streamlines decision-making processes, particularly in smaller teams, leading to increased efficiency and optimization of operational procedures (P5, P8). According to P8, “autonomous decisions are good if you are the expert in the field”, which indicates that with the relevant expertise, autonomous decisions are the preferred choice for the successors and the business. P5 states that autonomy “optimizes processes more quickly”, which not only emphasizes the speed of the decision but also its ability to drive innovation inside the business.

In contrast, successors point out disadvantages that they associate with making decisions autonomously in family businesses. A disadvantage mentioned by multiple successors is the absence of additional input and varied viewpoints (P1, P3, P8, P11). P8 points out that it is necessary to decide if speed is more important than reflection, because “if you involve several people and gather information, you often make better decisions”. Hence, decisions made by a single person autonomously might exclude the chance to consider insights from different sources, which could result in a narrow focus (P10). Excluding multiple perspectives in the decision-making process may also increase the chance of making a mistake (P3). P2 acknowledges that decisions made autonomously carry risks, including financial risks, which can result in sleepless nights and delayed gratification. The aspect that was mentioned by most successors was the burden of the sole responsibility for the outcome of autonomous decisions (P2, P5, P7, P10, P12). The full weight of accountability can be emotionally and psychologically taxing, according to P7: “Whether it's failure or it’s successful, you are solely responsible, and that's a heavy burden to bear". In making autonomous decisions, successors reveal that they cannot put the blame on someone else but themselves (P10). Therefore, the distribution of blame by making autonomous decisions is also considered as a disadvantage by participants (P11).

4.6.2 Perceived Outcomes of Influenced Decisions

When inquired about how successors evaluate influenced decision-making, they are also able to highlight several advantages of influenced decision-making, which often relate to utilizing the experience and knowledge of predecessors (P1, P3, P4, P6, P9, P10). P1 identified that it is beneficial to have "several opinions" as this enriches the decision-making process with multiple perspectives. Similarly, P3 valued the possibility to "fall back on [their] father's experience", while acknowledging that such in-depth knowledge could be superior due to "long professional experience" in handling complex business matters (P3). The importance of experience and knowledge is emphasized repeatedly, underlining the trust in the operational decisions of those who have been directly involved in the business of the company for a long time: “The vast majority of my predecessors' decisions must have been right, otherwise we would no longer be here” (P2). This opinion is shared by P6, who respects the first generation's in-depth insight into the business because "they built it" and are therefore seen as better equipped to make "intelligent decisions" about business direction. Furthermore, the involvement of predecessors can also mean that "nothing really gets broken", meaning that there are no negative consequences for the business from new autonomous decisions, as the continuity and preservation of the status quo are welcomed (P5). Finally, as recognized as a disadvantage of the autonomous decision, in contrast, an advantage of the influenced decision is the shared responsibility for the decision: “You have another person [hierarchically] above you and you pass on the responsibility “(P11).

Successors in family businesses also perceive several disadvantages associated with decisions that have been heavily influenced by predecessors, often revolving around issues of autonomy and innovation. P1 indicated that “you simply become slower”, where quick approaches are replaced by slower, consensus-based methods that may not always align with the modern business environment. The concept of autonomy, or more precisely the lack of autonomy, is a recurring theme. P2 perceives influenced decision-making as the following: “Influencing or perhaps even preventing a decision, that I consider being correct, [is in the successor's opinion] negative”. Reflecting the feeling participants had when recalling an influenced decision, several participants expressed frustration with limited personal agency and indicated that influenced decisions can prevent them from acting autonomously or pursuing what they believe is the right course of action as a main disadvantage (P2, P5, P6). This can lead to ingrained practices being maintained despite the necessity of implementing change, which is simply how things have always been done (P5, P10). This underlines another disadvantage mentioned which is the risk of becoming out of touch with current realities and opportunities. Some successors feel that this resistance to change can cause the business to miss out on new opportunities or fail to adapt to changing market conditions (P5, P7, P10). Participants also discussed the difficulties with shared decision making, which can impede progress and dilute individual accountability. This is especially noted in environments where multiple managers must agree on decisions, which sometimes leads to stagnation or suboptimal results because the decision-making process becomes, according to the successors, too bureaucratic or conservative (P4, P5).

5. Discussion

5.1 Summary of Results

By analyzing the 12 interviews conducted with successors in family businesses based on a semi-structured interview guide, a broad spectrum of influences on the decision-making of successors emerged. In addition to the influence exerted by the predecessor, other commonly cited factors included the traditions and past decisions of the family business, the successors' own personal expertise and life experience, and the unique challenges and opportunities of the organization they lead. This research identified several parallels between the existing literature and the results of the study, showing both consistencies and gaps in the understanding of the decision-making processes of successors in family businesses. Consequently, these insights enable a comprehensive response to the research questions posed at the beginning of this study.

Regarding the first research question "How do successors perceive the influence of predecessors' actions and decisions on their own decision-making within family businesses?", findings from the interviews reveal that successors' decision-making is deeply influenced by a multitude of factors that are not isolated but interdependent with one another and affect decision-making in complex, interrelated ways. These factors can be divided into external and internal influencing factors and include influence of family tradition and past decisions, navigating legacy and change, guidance from predecessors, successors' emotional responses to decision-making, and outcomes of different decision-making approaches. Previous achievements and knowledge of predecessors often form the benchmark against which new decisions are measured. In addition, the expertise of predecessors is an important source of knowledge that successors value and from which they can benefit. Therefore, successors must operate within a unique context when making decisions in family businesses, both on a personal and organizational level.

The results of the second research question "How do successors perceive outcomes to differ when they make autonomous decisions versus influenced decisions?" indicate that successors' outcomes of autonomous decisions and influenced decisions differ, both personally and for the business. On the one hand, successors characterize autonomous decisions by their flexibility and rapid implementation, which enables innovation and drives progress. However, according to the successors, the disadvantages of autonomous decisions are the risk of neglecting valuable insights from multiple perspectives and the sole responsibility for the decision. Conversely, influenced decisions are experienced as slower and more conservative in terms of adherence to established practices, whereas successors perceive the advantage of having a broader range of experience and a more collaborative way of taking responsibility to influence their decisions.

5.2 Interpretation of Results

5.2.1 Influence of Predecessors

Both the interviews as well as the literature on family businesses prove that the decisions, behaviors, and established traditions of predecessors profoundly shape the decision-making processes of successors in family businesses (García-Álvarez et al. 2002; Smith & Lewis, 2011). The interviews conducted confirm the findings of researchers such as García-Álvarez et al. (2002) and Pitts et al. (2009), who suggest that excessive control by incumbents leads to successors feeling frustrated, which significantly hinders their ability to achieve autonomy. Frustration at being influenced in decision-making and the associated limited autonomy is likewise the most frequently expressed feeling of the successors surveyed. Conversely, as the literature by Sharma et al., 2003; and Schuman et al., 2010 coincide with the results of this research, when predecessors cede authority and offer supportive guidance, it not only promotes positive feelings among successors but also empowers them. This facilitates the smooth transition process of the company (Sharma et al., 2003; Schuman et al., 2010). Moreover, a good relationship characterized by respect and understanding between predecessor and successor is perceived as crucial both for the transfer of knowledge and for a satisfying working environment (Handler, 1994). In addition, the information transfer from predecessor to successor is seen by both interviewees and in the literature as decisive and a main driver for a good succession process (Bell & Pham, 2021; Handler, 1994). The willingness of the predecessor to pass on knowledge in a non-intrusive manner is essential for the sustainability and resilience of the family business (Bracci & Vagnoni, 2011).

The positively connoted sentiments of “pride”, “empowerment”, “freedom” and “satisfaction” expressed by successors when commenting on autonomous decision-making provide a clear indication that less control and more supportive guidance from predecessors leads to greater satisfaction and empowerment, enabling them to implement innovative strategies effectively.

5.2.2 Interplay of Tradition & Innovation

The interviews illustrated that deeply rooted family values and cultural norms have a significant influence on successors and often determine the strategic direction of the company. Research also shows this duality between continuity and change, which is more pronounced amongst family businesses than in any other organizational setting (Radu-Lefebvre, 2021). The literature furthermore emphasizes the strong influence of family-based norms on business activities. Cassia et al. (2012), for instance, discuss how family goals and principles can dominate business strategies, potentially at the expense of external opportunities for companies. The interviews with the successors likewise revealed that established working practices are often retained as they have proven effective over time. Even if the market for the product can potentially be expanded, the focus is on safety rather than taking a risk in trying something new. Similarly, Davis and Tagiuri (1989) highlight how non-rational decision-making processes deeply rooted in family values can influence business decisions and actions.

One of the three paradoxical tensions within family businesses is the balancing act between tradition and change, a dilemma in which the entrenched practices of predecessors are often pitted against the innovative approaches required for future growth (Zellweger et al., 2012). The interviews conducted confirmed this tension, with many successors expressing that they to some extent found it difficult to effectively balance this dual pressure.

Family traditions and norms can sometimes be two sides of the same coin. On the one hand, they provide a unique identity and continuity that can strengthen the company's brand and customer loyalty. On the other hand, they can hinder flexibility and responsiveness to new market opportunities. The interviews confirm the findings of Eddleston et al. (2010), who found that family ties can have a profound impact on business operations, sometimes leading to decisions that prioritize family harmony over business efficiency. However, as the results of the interviews confirmed, it does not need to be an" either/or" approach: Successors can address the paradox of tradition and innovation by implementing innovation based on the firm's past accomplishments, fostering an "innovation through tradition" approach (De Massis et al., 2016). A new insight from the research is that the successors are prepared to give up some traditions to sustain the business. Traditions are seen as beneficial, but not essential. Successors do not perceive it as their duty to uphold them, especially if they hinder business operations or innovation.

5.2.4 Autonomous versus Influenced Decisions

In the context of family businesses, as simultaneously confirmed by the results of the interviews and the literature, the distinction between autonomous and influenced decisions underscores a key dynamic that profoundly impacts the emotional well-being of successors and the company's ability to innovate.

Autonomous decisions, where successors have the freedom to act independently, often promote positive feelings and drive innovation (Radu-Lefebvre, 2021). In addition, decision-making autonomy empowers successors by giving them the freedom to apply their unique insights and skills to business difficulties. The interviewed successors aligned on the statement that their own expertise is beneficial for the business and that they strongly aligned with the outcomes of autonomous decision-making. The ability to make independent decisions can lead to significant personal and professional growth for successors and foster a proactive and forward-thinking organizational culture (Ibrahim et al., 2004). This is also supported by further research showing that when successors are allowed to act independently, they often feel more empowered and satisfied, which is associated with improved business performance and innovation (Sharma et al., 2003; Schuman et al., 2010).

5.3 Implications

This research has practical implications for family businesses around the world, demonstrating the critical balance between granting autonomy to the successors and leveraging the value of experience from the predecessors to drive innovation and ensure sustainability. The findings advocate the empowerment of successors to bring their unique strengths and insights to the decision-making processes of family businesses. Providing successors with autonomy leads to greater alignment with their role and increases satisfaction, which is an important driver of innovation. Beyond this, this research uniquely highlights the importance of balancing the successors' autonomy with the strategic inclusion of predecessors' expertise.

By giving successors, the opportunity to act autonomously in the family business and at the same time benefit from their predecessors' extensive expertise, the sustainability of the family business can be ensured in the long term. It is fundamental for the success of family businesses that the successor feels valued and integrated as an important contributor.

Simultaneously, it is necessary to incorporate the predecessors' expertise so that the successor and the company can benefit from their many years of experience. The critical point in this context is that successors must independently request the knowledge and predecessors should refrain from trying to impose knowledge on the successors, as imposed knowledge results in the opposite effect. The successor will then not accept it as valuable help but reject it as a frustrating imposition. It is therefore of great value for the successors to maintain their autonomy and at the same time, if necessary, to seek and respect guidance.

The right balance between introducing new perspectives and innovations and appreciating the valuable experiences and traditions of the past can be regarded as a method of overcoming the paradox between autonomy and control. Maintaining open communication and a supportive environment is vital to enable predecessors and successors to effectively manage the complex tensions they encounter within the business. A culture of equality and open communication is crucial and enables successors to take on their roles confidently. By empowering successors to take on their roles confidently and fostering an environment that encourages constructive dialog, potential issues can be addressed and alignment on a strategic direction can be reached. (Bertschi-Michel et al., 2019).

In summary, this research contributes to academic discourse by breaking down the dynamics of decision-making in family businesses and providing practical advice. By applying these strategies, family businesses are better prepared to face future difficulties and effectively manage organizational change to ensure their long-term success and sustainability and preserve their legacy for future generations.

5.4 Limitations & Future Studies

The current research was subject to certain limitations, which however not only revealed specific challenges but also created opportunities for further research. While the qualitative methodology used in this research offers profound and in-depth insights, it is also not without its limitations. The limited number of participants restricts the generalizability of the findings, which in turn impedes the transferability of the results to the broader group of family businesses. Given that the sample was obtained via social media as a convenience sample, it is not a representative or probability sample that would allow for broader generalization This is a common challenge in qualitative research, where the deeper insight of a topic is often gained at the expense of broader applicability. Furthermore, the study sample also had limitations due to an unbalanced gender ratio and the unequal distribution of different nationalities. Moreover, some interviewees were not interviewed in their native tongue, which can have a disadvantageous effect on the results. Research based on interviews, as used in this study, is similarly prone to inherent difficulties. According to Brinkmann and Kvale (2005), interviews are conducted under the assumption that they will promote understanding through dialog. This process, however, may have an influence on the interviewee's desire to respond in a socially desirable manner, especially if personal and intimate questions are involved. This bias in responses can affect the authenticity and accuracy of the data collected.

In future studies, more emphasis should be placed on gender balance among participants and a diverse representation of nationalities. More in-depth research on how successors manage various emotions, especially the frequently mentioned feeling of frustration, would also be a beneficial aspect. The nature of the relationship between successors and their predecessors should be the focus of any additional research. Given the importance of these relationships as a key finding, more detailed research into the specific ways in which successors maintain positive relationships with their predecessors could provide valuable insights for family businesses worldwide.

Finally, due to the limited length of the research, this study did not examine other factors that could also have a significant influence on the decision-making behavior of successors. These factors include education, family values, and previous work experience outside the family business. Future research has the potential to explore these factors to gain deeper insights into the dynamics of family businesses.

6. Conclusion

This dissertation researched how predecessors' decisions influence successors in family businesses. The analysis of 12 interviews revealed that successors' decisions have been influenced by predecessors, legacy, and tradition as well as the business environment and personal expertise. Successors believe they have the task of aligning these influences with the need to innovate to ensure successful management and continuity of the business. The study suggests that a rigid adherence to outdated traditions and a lack of openness to change can hinder effective decision-making. It also emphasizes the importance of autonomous decision-making and points out that, while decisions that have been influenced benefit from collective wisdom and shared responsibility, autonomous decisions promote agility and innovation. The latter is crucial for maintaining long-term competitiveness. The emotional impact on successors, ranging from empowerment in autonomous situations to frustration under strong influence, underscores the complex dynamics at play. This research proposes fostering an environment that values both tradition and innovation and maintaining an open dialog between predecessors and successors.

In conclusion, this thesis provides valuable insights and practical advice for family enterprises to explain and improve the decision-making behavior of family business successors. It advocates a balanced management approach that respects the historical legacy while embracing the challenges of the future that are essential for the sustainable success of family businesses in a dynamic business environment.

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Appendix

Successors in Family Business - Interview Guide

Introduction:

Good morning and thank you for taking the time!

- Could you please share your name?
- What gender do you identify with?
- In what year were you born?
- What is the highest degree you have obtained?
- Could you please specify your role within the family business?
- When was the family business founded?
- What generation is the family business currently in?
- How would you characterize the size of the business?
- In which industry does the business operate?
- In which country does the business operate?
- Regarding succession, are you presently in a leadership role within the company, or are you currently working alongside the current leader with intentions to take over in the future?
    - *If the designated successor is already in the position*: How long have you been in the position as the successor?
    - *If succession is planned for the future:* When do you expect to take on the role of leading the business as the designated successor?

Main Part:

Influence of Predecessors on Successors' Decision-Making

Now, I would like to ask some questions about your decision-making process.

1. How would you describe the level of autonomy that you currently experience in decision-making in your family business?
    a. Do you consider this level adequate or inadequate?

2. Are family traditions and past decisions important to you when you are making decisions?
    a. Can you share a specific situation where the traditions and past decisions of the family business played a role in shaping your decision-making process?

3. Is it important to you to respect your predecessor’s legacy while also introducing new ideas and initiatives?
    a. If so, how do you navigate maintaining tradition while fostering innovation?

4. Do you find it challenging to balance the preservation of family traditions with the need for organizational change or adaptation?

5. Do you typically seek guidance or advice from predecessors?
    a. If yes, what sort of decisions are you more likely to seek guidance / ask advice for?
    b. Can you describe a particular instance? How did their input influence your decision-making process then?

Outcomes of Autonomous and Influenced Decision-Making

6. Please recall a business decision that you made autonomously, without any external pressure influencing your choice.
    a. How did you feel about making that decision?
    b. How would you evaluate the outcomes of your autonomous decision on the business?

7. Now, reflect on a decision you made that was influenced by a predecessor, whether through direct instruction or indirect suggestion.
    a. How did you feel about making a decision influenced by a predecessor?
    b. How would you evaluate the outcomes of this decision on the business?

8. From your experience, what are the advantages and disadvantages of making autonomous decisions within the family business?

9. Similarly, what are the advantages and disadvantages of decisions influenced by predecessors or family traditions?

10. How do you perceive the learning experience from the family business values and how has that shaped your own management approach?

Conclusion:

Thank you for sharing your valuable insights. Do you have any further questions? Is there anything else you would discuss regarding your experience as a successor in the family business?

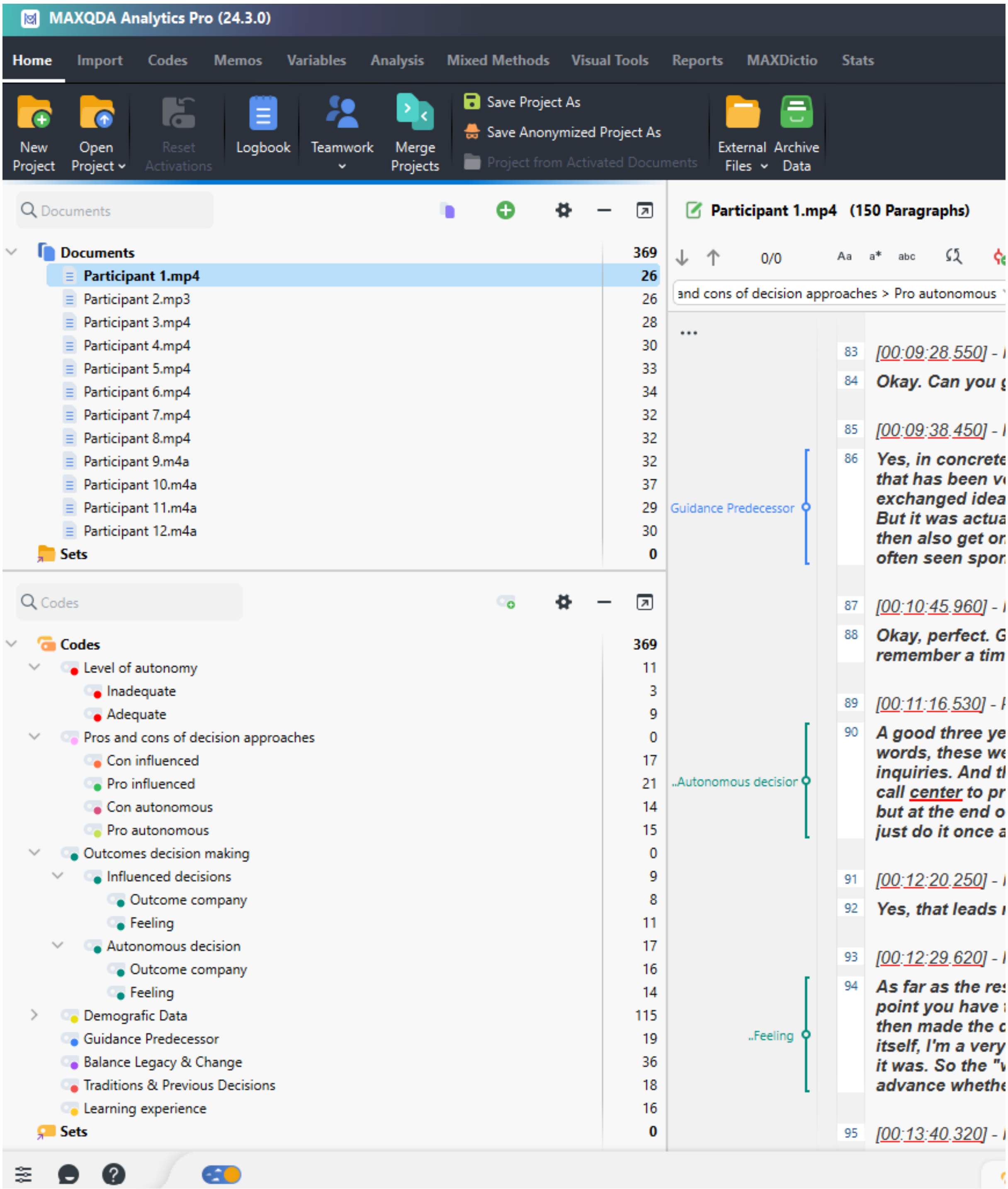
I highly appreciate your time and input, again thank you very much for your participation

If you are interested in the results, I am happy to share it with you after the the completion it the thesis. Have a good day!

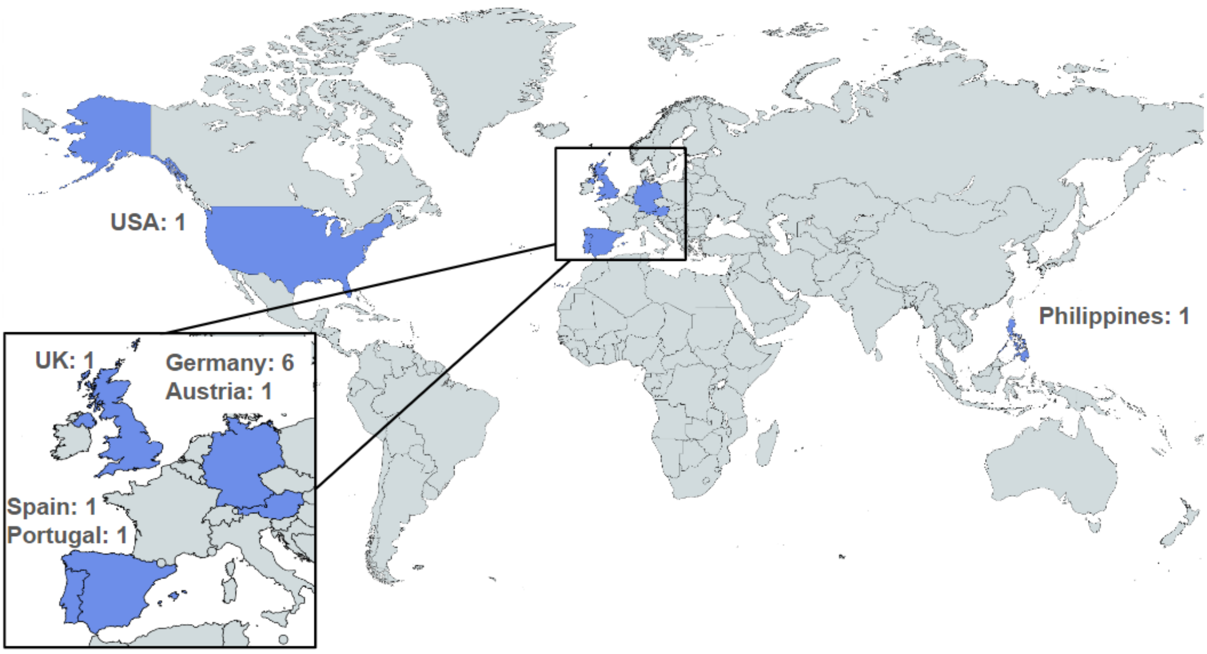
Example Table of Categories and Sample Transcripts

Color	Code	Participant	Interview Segment
●	Level of Autonomy > **Adequate**	P12	I consider it to be adequate because we each have our own areas of expertise.
●	Level of Autonomy > **Inadequate**	P10	Yes, inadequate, I would have said now.
●	Pros and Cons of Decision-Making Approaches > **Con Influenced**	P5	That you are not making any progress.
●	Pros and Cons of Decision-Making Approaches > **Pro Influenced**	P11	When you work with other people, you don't usually take full responsibility for it.
●	Pros and Cons of Decision-Making Approaches > **Con Autonomous**	P10	I can't put the blame on anyone else but me.
●	Pros and Cons of Decision-Making Approaches > **Pro Autonomous**	P3	And with autonomous decisions, it's of course nice to be able to make your own decisions and act on your own initiative. That also motivates you.
●	Outcomes Decision-Making > Influenced Decisions > **Feeling**	P8	Okay. I felt restricted in my autonomy and also restricted in my scope of action because I then got the feeling that I was ultimately just an employee who implements decisions made by the manager without having the necessary knowledge.
●	Outcomes Decision-Making > Autonomous Decision > **Feeling**	P1	I think, at first, it's a bit of reluctance. Why do we have to do this now?
●	**Traditions & Previous Decisions**	P5	It is usually like: "It's always been done this way, so let's keep doing it this way." I didn't always think it made sense. I've often thought that maybe things should be done differently, but yes.
●	**Guidance Predecessor**	P4	I mean, yes, because they educated me. I think their guidance and their values is something I act upon.
●	**Balance Legacy & Change**	P9	Well, one does not exclude the other. So when I see tradition in the sense of a company, I would like to say, I am not highly attached. Philosophy or company values on the other hand, we definitely want to keep them.

Example of MAXQDA Software and Coding Process



Different nationalities of the research sample



Informed Consent Form – Successors in Family Businesses

Welcome and thank you for considering participating in this research study on decision-making in family businesses. I, Carolin Fries, am conducting this study as part of my Master Thesis at Católica Lisbon School of Business and Economics, under the supervision of Professor Cristina Mendonça.

The study involves participating in an interview session where you will be asked questions about your experiences and decision-making processes within your family business. The interview is expected to take approximately minutes to complete. Your participation will contribute greatly to our understanding of decision-making dynamics in family businesses.

Potential side effects of participation are minimal, similar to those associated with engaging in a conversation or discussion. You may feel some emotional discomfort during the interview. However, you are free to take breaks or withdraw from the interview at any time if you feel uncomfortable.

Please answer the interview questions honestly and to the best of your ability.

Your participation is voluntary, and you have the right to withdraw from the study at any time without penalty. Your responses will be kept confidential and anonymous. Data collected will only be used for research purposes and will be reported in aggregate form, without any identifying information.

If you have any questions about the study or your participation, please feel free to contact me at s-cfries@ucp.pt. You may also contact my supervisor, Professor Cristina Mendonça, at cmendonca@ucp.pt.

Do you consent to participate in this study?

Yes ☐ ☐ No

Glossary

Term	Definition
P1	Participant 1
P2	Participant 2
P3	Participant 3
P4	Participant 4
P5	Participant 5
P6	Participant 6
P7	Participant 7
P8	Participant 8
P9	Participant 9
P10	Participant 10
P11	Participant 11
P12	Participant 12