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Putting the success into succession

A qualitative study of the factors behind a successful succession in a Swedish family business

“In other words the succession is not only about the parent and child but it includes the whole family”

- Emelie Bergendahl, Bianka Gallina, Johanna Herstedt

Authors:

Emelie Bergendahl

Bianka Gallina

Johanna Herstedt

Supervisor:

Associate Professor, Devrim Göktepe-Hultén

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Happy reading!

Emelie Bergendahl Bianka Gallina Johanna Herstedt

Abstract

- Title:* Putting the success into succession - A qualitative study of the factors behind a successful succession in a Swedish family business
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- Keywords:* Family Business, Succession, Managerial Guidelines, Sibling Satisfaction, Success Factors
- Purpose:* The purpose of this paper is to deepen the understanding of how family businesses can succeed in the process of succession by illustrating a successful succession within a family business in Sweden.
- Methodology:* In order to reach the paper's purpose, a qualitative study was conducted in the form of semi-structured interviews. The study has adopted a social constructionist and interpretive approach.
- Theoretical perspectives:* The study is based on previous research of family business which is followed by theoretical framework of succession within family businesses.
- Empirical foundation:* The empirical material consists of interviews with the founder, the successor, one of the successor's brothers, an external board member of Green Investments as well as a CEO with one of Green Investments' subsidiaries. Green Investments is a family business based in Sweden and possesses about twenty subsidiaries and associate companies which operate in a wide range of fields.
- Conclusions:* We develop a managerial guideline consisting of seven factors for a successful succession in a family business and add a supplementary factor, sibling satisfaction, which has previously been overlooked.

Sammanfattning

<i>Examensarbetets titel:</i>	Putting the success into succession – En kvalitativ studie av faktorerna bakom en framgångsrik succession i ett svenskt familjeföretag
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<i>Nyckelord:</i>	Familjeföretag, Succession, Syskon konsensus, Ledningsriktlinjer, Framgångsfaktorer
<i>Syfte:</i>	Syftet med uppsatsen är att fördjupa förståelsen av hur familjeföretag kan lyckas under successionsprocessen genom att illustrera en framgångsrik succession i ett familjeföretag i Sverige.
<i>Metod:</i>	För att nå syftet genomfördes en kvalitativ studie i form av semistrukturerade intervjuer. Studien har haft en socialkonstruktionistiskt och tolkande utgångspunkt.
<i>Teoretiskt perspektiv:</i>	Studien är baserad på tidigare forskning om familjeföretag som följs av ett teoretiskt ramverk om succession inom familjeföretag.
<i>Empiri:</i>	Det empiriska materialet består av intervjuer med grundaren, efterträdaren, en bror till efterträdaren, en extern styrelseledamot i Green Investments samt en VD för ett av deras dotterbolag. Green Investments är ett familjeföretag med säte i Sverige och har ca 20 dotter- och intressebolag som verkar inom ett brett spektrum av områden.
<i>Resultat:</i>	Vi utvecklar ledningsriktlinjer som innehåller sju faktorer samt ytterligare en faktor som tidigare förbisetts, syskon konsensus, för en framgångsrik succession i ett familjeföretag.

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1. Introduction

1.1 Background

When you think of companies such as Walmart, Samsung, Ikea, Investor, Kinnevik and H&M, you may associate them to the renowned and prominent families surrounding them. These are the type of companies that have been run by the family through generations and family members tend to become symbolic figureheads (Family Business, 2017). Although definitions are many and may differ greatly, the family business is the oldest and most common organizational structure. However, the ownership is rarely structured as it is more likely to be based on trust (Fenech, 2016). This paper will use the definition of family business (also referred to as family firms) as outlined by Tagiuri and Davis (1996, p. 199) from Harvard Business School, which states that family businesses are “*organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights*”.

Family businesses are central to the global economy as they represent approximately 80% of the companies worldwide (Fernández-Aroz, Iqbal & Ritter, 2015). However, only 30% of family businesses last into the second generation, 12% into the third and a mere 3% into the fourth generation or beyond (Fernandez-Aroz, Iqbal & Ritter, 2015). In addition to the general challenges faced by any business, family businesses also encounter conflicts in the family, especially during a succession (Ward, 2011). Some even prefer to sell their businesses to prevent potential problems (Ward, 2011). A failed CEO succession could ruin any business, however it could be even more sensitive within a family business. In a study of 50 leading family firms in Europe, Americas and Asia, 38% of the CEOs were members of the family (Fernandez-Aroz, Iqbal & Ritter, 2015). Consequently, family businesses would benefit greatly if the process of succession were to run smoothly.

In many cases, the figurehead of the family business is a charismatic person who prefers to make decisions on their own (Davis, 2014). This, in turn might lead to problems when a family business grows and more people need to control the decision process. Nevertheless, this figurehead usually represents the face of the company and its identity (Cater III, 2006). A charismatic leader with clear values often leads to a strong company culture, however this type of culture might have an impaired adaptability to deal with change.

Additionally, in family businesses private issues may affect the organization if there is no clear line between private and corporate life. While the family is commonly seen as an emotional system based on loyalty and love, the company mostly involves factors such as status, bargaining power and prestige (Cater III, 2006). When these two worlds are not clearly separated, conflicts may arise, damaging the company as well as the family. Another problem unique to a family business is during a succession which involves collaboration and delegation of roles between different generations, family members, employees and owners (Cater III, 2006). Despite a wide range of studies in this field, problems still arise. Professor John L. Ward (1997), recognized as a world leading expert within family business lists a few challenges: How can next generation leaders stay respectful to their predecessors while simultaneously practicing their own leadership style and foster change in the family business? How can they make their mark after stepping in the place of a legend?

From the presented background, we will focus on Sweden. Family businesses play a crucial role in the Swedish economy as 70% of the stock market is controlled by 15 families with an estimated value of 4000 billion SEK (Holm, 2017). Many of the larger family businesses in Sweden are in the process of transitioning into a new generation of leaders as a result of baby boomers retiring. Previous research shows that there are few family businesses which manage to transfer and develop the next generation's leaders but has acknowledged some factors shaping a succession. These factors include aspects of the successor, such as background, traits and motivation as well as the founder, in terms of attitude and a potential overshadowing effect. In addition, the company culture and positive family climate have also been recognized as important aspects influencing a succession.

Thus, the purpose of this paper is to deepen the understanding of how family businesses can succeed in the process of succession by illustrating a successful succession within a family business in Sweden. Our expectation is to produce managerial guidelines for a successful succession process, applying seven factors from the literature and the additional factor of *sibling satisfaction* which has been previously overlooked. Therefore, the following research question was formulated: what factors shape a successful succession in Green Investments?

1.2 Jiro - An illustrative comparison with Green Investments

Despite some famous examples of acclaimed successions, the process is not always successful and smooth. This raises the question: why does success not always fit in succession? The international case of Jiro sushi can help us identify the guidelines to a successful succession as it highlights some factors of a less successful case. A comparison between Green Investments and Jiro will be presented in the discussion to illustrate the guidelines' relevance. Following the documentary of Jiro sushi by Gelb (2011) we get to know Jiro, a 91-year-old sushi chef of a three-star Michelin restaurant in Japan - and his two sons. One of them has his own successful sushi restaurant while the other still works at Jiro's restaurant. As the story folds Jiro shares his concerns about the business' future due to his old age. His son working at the restaurant is expected to take over and despite being trained to perfection, the succession is met with resistance from the customers (Gelb, 2011). One of the reasons is that Jiro is a strong figurehead of the company and most customers only want to be served by him, regardless if the sushi tastes the same. As a result of the resistance, the future of Jiro's sushi is uncertain (Gelb, 2011). This raises the question: What could have been done differently to ease or even avoid the resistance?

After this brief introduction to the subject, we present the methodology of the paper and give an insight to the work and process behind the study. This is followed by a systematic literature review of the current family business literature and studies of succession processes. We then illustrate the seven identified factors for a successful succession, from the empirical study on Green Investments and after thorough work we add a complementary factor, which we call sibling satisfaction. Based on the findings in the analysis, managerial guidelines for successful successions in family businesses are outlined and explained. Then, we discuss the relevance of these guidelines, comparing them using an international case of less successful succession. We also discuss the guidelines' use for other companies as well as give suggestions for further research and concluding remarks.

2. Method

In this section, we present the methods and approach of the paper as well as motivate the qualitative study written from a social constructionist and interpretivist perspective. Throughout the process, it has been important for us to constantly reflect upon the methods used and why, in conjunction with the methodology literature to ensure the quality of the paper.

The empirical material, collected through interviews with carefully selected individuals in Green Investments was transcribed, sorted and categorized. The common patterns found, resulted in the framework of seven factors and the additional factor of sibling satisfaction, after systematic review of the empirical data and current family business literature. All parts of the methodology have influenced the entire process of writing the paper. With this, we hope to give the reader an insight of how the study proceeded and our perspectives on the selected methods.

2.1 Scientific approach

Ontology is simply defined as “the study of being” and aims to understand reality according to Gray (2017, p. 21). The ontological approach of this paper’s research methodology was conducted through social constructionism which assumes a subjectivist view of the society (Bryman & Bell, 2015). This perspective was chosen since a social phenomenon, i.e. the process of succession within a family business was studied and thus, our findings were influenced by social agents’ perceptions about the reality which was researched. According to Gray (2017, p.21), “epistemology tries to understand what it means to know” and facilitates the structure as well as the interpretation of the research and its design. As the paper aimed to research the perception of a successor and a succession, an interpretivist perspective has been applied. In other words, the knowledge and actions are being interpreted (Bryman & Bell, 2015).

As the study is based on individuals’ perceptions and understandings, it was impossible to know what direction the empirical material would take. As a result, the abductive methodology was deemed appropriate, which implies an exchange between the theory and the empirical material (Bryman & Bell, 2015). It enables flexibility as it involves working with the data back and forth. Alvesson and Kärreman (2007) view abductive reasoning as a way of

constructing a mystery and solving it, by making it more understandable through developing concepts, metaphors or other tools, which is also known as theorization. By looking for paradoxes in the material which cannot be explained by our pre-understanding or by existing research, a mystery is created. This was our starting-point and began by looking for interesting and surprising phenomenon.

A qualitative study has been conducted. Qualitative research aims to gain a general understanding of how and why people act in a certain manner as well as their perceptions by studying the participants closely in a real-life setting (Miles, Huberman & Saldana, 2013). In other words, a qualitative study enables a unique perspective and context of the social phenomenon which is studied (Bryman & Bell 2015). Due to the qualitative method, the study does not result in empirical generalizations which are based on a compilation of many studies, but instead a theoretical contribution (Glaser & Strauss, 1967, cited in Brunsson, 1982). We hope to contribute to a better understanding of a succession by developing a new perspective for a successful transition, i.e. a theoretical generalization.

2.2 Research context

Family business is a relatively new field in academic research, beginning in earnest with the publication of a dedicated journal, *Family Business Review*, in 1988. Family businesses have been found to be different from non-family firms beginning with the basic goals of the firm. Although scholars are still struggling to accurately define what constitutes a family business, progress has been made and some of the dimensions are agreed upon, such as classifying the family firm and models to explain its structure. Outside the circle of family business scholars, other researchers are beginning to recognize the importance of the family as a variable in research, especially in the broader area of entrepreneurship as evidenced by the issues of *Journal of Business Venturing* (2003) and *Entrepreneurship Theory and Practice* (2004), which were dedicated to family business studies. We have chosen to focus on studies within family business literature from the last 20 years as it still is a quite newly researched phenomenon and the questions asked then are still relevant and accurate nowadays. Therefore, we felt it was appropriate to study a relatively modern picture to capture the facts and the problems we still know today.

In order to preserve the studied company’s anonymity, all names have been changed and the company information has been kept limited and slightly vague. The family business studied, which will be referred to as Green Investments was founded thirty years ago in Sweden by a person who will be referred to as *the founder*. Green Investments has about twenty subsidiaries and associate companies which operate in wide range of fields. This particular family business was chosen since the initial aim was to research sustainable leadership and its corporate social responsibility projects within the company, which is an important part of Green Investments business. In addition, one of us had previously encountered the CEO in another context at the university. The company expressed an interest, however, the study took a different approach, i.e. succession within a family business.

The founder’s youngest son took over the role as CEO of Green Investments four years ago, from now on referred to as *the successor*, and sits in the board in several of its subsidiaries and associate companies. He has previously worked within one of Green Investments’ subsidiaries which we call *Vision Factory*. His father has remained chair of the board of Green Investments and sits in two of its subsidiaries. When the successor took over, two external board members were also appointed to Green Investments, in addition to the family. One of the external board members was interviewed, as well as a CEO in one of its subsidiaries. During the succession, the successor’s two older brothers also gained more responsibility through positions in boards in its subsidiaries and associate companies. One of the brothers, referred to as *brother A* was interviewed and the other brother is called *brother B*. Despite Green Investments’ considerable financial size, it is still rather small as there are only about ten employees in the parent company. Since the succession, the company’s size as well as its revenues have continued to grow; from 4.5 billion SEK at the time of succession to the current 6 billion SEK.

<i>Company = Green Investments</i>	
<i>Interviewees</i>	The founder
	The successor
	External board member
	The CEO of a subsidiary company
	Brother A

Figure 1. The Interviewees

By looking at Green Investments' structure, it fits to the previously stated definition of family business, "*organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights*". Regarding management roles, the founder, successor as well as the other two brothers, all take part in the management of the business, though to different extent. Furthermore, family members are owners and sit in the board of Green Investments, however the degree of their involvement in management and ownership aspects differ.

2.3 Empirical data collection

Since the aim was to study the process of a succession, the most logical research technique was interviews, since this method enables an examination of the perceptions and attitudes of the interviewees (Gray, 2017). The research objective was to understand the experiences, values and knowledge that influenced and developed an individual's leadership style through a process of succession. We decided to use semi-structured interviews as it provides the possibility of a deeper understanding and insight of an individual's perceptions about a certain phenomenon (Bryman & Bell, 2015). These types of interviews have a certain structure through interview guides prepared in advance while simultaneously giving the opportunity to ask additional follow-up questions depending on the interviewees' answers.

In contrast to a quantitative study with random samplings, in this case the selection of interviewees were made gradually in order to enable systematic comparisons to develop theories and define their legitimacy (Glaser & Strauss, 1967, cited in Brunsson, 1982). The empirical sampling was done through our identification of individuals who would be relevant as they had all experienced the succession. In total, five leaders were interviewed; the successor, the successor's brother, the founder, an external member of the board as well as a CEO in one of its subsidiaries. We conducted an in-depth interview with the CEO as the focus was on his role throughout the succession. The interviews lasted on average 50 minutes. After these interviews, we identified patterns and some repetition, thus empirical satisfaction was achieved. As other employees from the company had not been present during the succession we focused on those who were involved or had experienced the succession.

Before the interviews, we researched the company and the leaders thoroughly in order to develop an overall understanding to be able to conduct a fruitful interview. The aim was to formulate open-ended questions without explicitly mentioning the precise purpose of the study to prevent being given the expected or deemed appropriate answers by the interviewees. We also considered the use of our language and refrained from using too academic terms to encourage the interviewees' responses (Gray, 2017). In a further effort to build rapport with the interviewees, i.e. mutual trust and understanding, we presented an introduction of the interview and had allocated the main responsibility of asking the questions to one person (Gray, 2017).

The interview with the CEO was conducted in a conference room at the company's office as it was the most convenient for the interviewee. The founder, an external member of the board and the CEO of a subsidiary were interviewed by telephone. During all the interviews, we listened attentively, not only to what was being said but also tried to read between the lines, such as pauses and incomplete sentences. During the interview, notes were taken which helped to form new follow-up questions (Gray, 2017). In the interview with the successor, we also noted the body language. According to Irvine (2011), interviewees usually talk for a shorter amount of time in telephone interviews, however the answers tended to be more concise. Furthermore, we aimed to ask many follow-up questions as well as use silent probe, i.e. remaining quiet to further encourage the interviewees to elaborate their answers (Gray, 2017). An email interview was conducted with brother A. Email interviews enable the participants to take their time with answering questions and is a viable option when other types of interviews are not possible (Meho, 2006). Concerning this type of interview, it is important that the questions are clear to avoid misinterpretations, especially since it does not allow direct follow-up questions. This, in turn could result in important information being left out. Nevertheless, as our questions were thorough and had been carefully prepared, we reckoned it to be avoided (Meho, 2006).

At the end of the face-to-face and telephone interviews, the interviewees were asked if there was anything they wanted to add in order cover all the bases. In order to capture what was being said and thereafter form follow-up questions, we were all present during the interviews. The interviews were recorded and transcribed in order to ensure the correct information and simplify the process of decoding the data later. Transcribing the interviews reduces the risk of missing important nuances and discrepancies (Bryman & Bell, 2015). All interviews were

conducted in Swedish and the quotes in the paper have been translated carefully in order to preserve their original meaning.

2.4 Analysis of the empirical material

The approach used to analyze the qualitative data was through content analysis. This technique aims to sort the data into categories as well as identify similarities and differences in the material, and find explanations of the differences (Bryman & Bell, 2015). Once the empirical data was collected, we sorted the data by breaking it down and categorizing it using sensitizing concepts for some initial direction (Rennstam & Wästerfors, 2011). Then we coded and labelled the material into broad terms by finding common themes and patterns in the transcription, such as all the different factors for a successful succession. In the next step, we reduced the material categorically through a careful selection while revising the research question to develop a clearer focus. In other words, we reviewed the transcribed material and categories once again to identify characteristic features and looked for explanations within the existing literature.

Next followed an illustrative reduction, which means that we connected the selected categories with specific examples to highlight these categories (Rennstam & Wästerfors, 2011). In other words, we illustrated the selected categories with quotes from the interviews. These categories were the seven factors that had been found in the current family business literature as well as in Green Investments. Finally, we argued using the data, so-called theorization to support our findings and conceptual development, i.e. establish a concept and relate to other concepts (Rennstam & Wästerfors, 2011). To sum up, after a systematic review of the current literature and the empirical material from Green Investments, we identified seven factors that were central for a successful succession as well as the additional factor of sibling satisfaction.

After the development and presentation of the eight factors shaping a succession, we discuss their relevance using an international case, Jiro, exemplifying a less successful succession. The illustration compares the differences between Green Investments applying the factors and Jiro's case where some of the factors are not implemented, in order to shed light on the importance of the guidelines for a successful succession. One of us had previously been studying family business at National University of Singapore and gained a valuable

perspective on the International perspective of family business as well as the Jiro case. This was taught by the well-known and awarded Associate Professor Marleen Dieleman and can therefore give further support to the credibility of the secondary data used to analyze Jiro's sushi.

Throughout the course of the study we have aimed to approach the material with a so-called theoretical sensitivity (Strauss & Corbin, 1990). In other words, adopting an open-minded and insightful perspective to determine what is important, also for example by being aware of the risk of biasing interviewees' responses (Strauss & Corbin, 1990).

2.5 Evaluation of the quality

A qualitative study usually does not use the criteria validity or reliability as these concepts are difficult to achieve within qualitative research (Bryman & Bell, 2015). Instead, trustworthiness and authenticity are used (Bryman, 2008). Skrtic (1985) views trustworthiness through the following concepts; transferability, dependability, confirmability and credibility. An important aspect of trustworthiness is the method section, to give the reader a detailed account of how the research process and collection of the empirical material proceeded. Furthermore, to avoid the risk of subjective opinions influencing the perception of the interviewee, all of us were present during the interviews and all interviews were transcribed. We have also conducted interviews with open-ended questions to avoid bias and to receive the expected answers.

Authenticity is connected to the interpretation and analysis of the interviewees' experiences and perceptions (Gray, 2017). In other words, these concepts create awareness concerning the sometimes conflicting statements in the data as well as different perceptions of one reality. By interviewing individuals outside of the family, such as the external board member and the CEO of a subsidiary, we were able to see the succession from other perspectives besides that of the family members'. Furthermore, the literature serving as the basis for the analysis consists of a wide range of different studies from recognized researchers and universities.

3. Literature review and theoretical framework

The literature review and theoretical framework presented, is the starting point for the understanding of how family businesses succeed during a succession. To give the reader a general overview, the definition of family business is further elaborated and the research field of family business presented. This is followed by specific factors shaping a succession, which are used in the analysis of the paper. A systematic literature review was conducted and resulted in seven different factors. We have focused on the literature from the last 20 years as it is a relatively new research field and the questions asked then are still relevant today.

3.1 Previous research on family business

The definition of family business, means that at least two family members must manage or own the business in order to be seen as a family business (illustrated in Figure 2). The three circles represent the three aspects; family, management and ownership. However, as these circles intersect, seven different sections are created, all of which show the different ways an individual may be present in the family business. For example, a family member who is both an owner and manager of the business would be in the intersection of all three, while a non-family owner and manager would be placed in the intersection of the manager and owner circles. We have chosen to use this definition as the starting point of the theory of family business as it is relatively broad and accepted by scholars working with family business theory today.

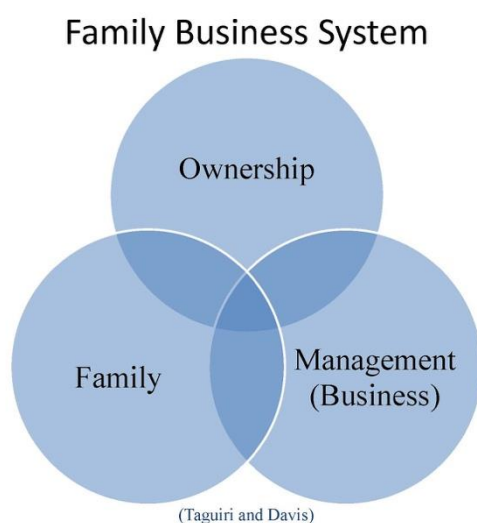


Figure 2. The Family Business System (Tagiuri & Davis, 1996)

Inspired by Groysberg and Bell's recent study at Harvard Business School (2014), there is need and room for improvement when it comes to the development of family businesses. They suggest that many organizational and leadership aspects need to be further researched in the context of family businesses as these are fundamentally different from non-family businesses contexts and have different implications. In the study, they compare family businesses to non-family businesses on aspects such as director profiles, skills and assessment, succession, strategic challenges, talent management, and diversity within the board (Groysberg & Bell, 2014). Compared to non-family businesses, they found that family businesses lagged behind in several measures, such as succession planning, regular assessment of development and skills and diversity.

As Groysberg and Bell's (2014) study shows, there are a number of areas within family business research that are yet to be further developed. However, the process of succession in a family business has become a subject of interest for researchers over the past years. The large number of family businesses who fail to carry on the leadership to the next generations has led researchers to study those firms that actually manage the succession in order to identify the reasons behind a successful transition (Cater III, 2006).

Taking a closer look at the existing research about succession within family businesses, we identified that the research concerning the importance and influence of siblings during a succession from one generation to the next has been overlooked. This is especially the case regarding the inclusion of the successor's siblings in the succession process. Much of the research mentions how to deal with sibling quarrels such as Avloniti et al.'s (2013) paper which analyzes sibling rivalry dynamics and its impact on successions. Within sibling rivalry research, jealousy, lack of complete trust as well as competition between siblings for parental affection and attention are most common (Cater III, 2006). An example is the study by Jayantilal, Jorge and Palacios (2016), which researches family business successions through the application of game theory by focusing on emotional dimensions caused by sibling rivalry. They combine empirical data with the implications of game theory and the results point towards the emotional costs of sibling rivalry in a family business. Moreover, Bizri's (2015) research considers how siblings and their professional paths are affected by a succession, yet little is written about the importance of the siblings' attitude towards the process. Therefore, we decided to look further for the factors that shape a successful succession, with an extra focus on the siblings' role in the process.

3.2 Family business succession

To be able to identify and account for the most important factors which shape a successful succession, the following section will specify the theoretical framework. It is divided in three different parts, each focusing on one main aspect of a succession. First we present aspects concerning the successor, followed by the founder together with the company, and lastly the family aspects.

3.2.1 The successor

Stavrou, Kleanthous and Anatsiou (2005) studied leadership personality and cultural configurations' effect on successful successions in family firms and identified a link between success and certain traits of a leader. In other words, they suggest that there are certain characteristics that are more conducive to successful transitions than others, using the Myers-Briggs Type Indicator (MBTI). MBTI is based on the theory of four different psychological functions; sensation, intuition, feeling and thinking and claims that humans are more dominant in one of these functions, affecting our preferences. From this, a test was constructed to determine a person's personality type which is said to affect, among others, needs, values and motivation. It is a well-known test to identify people's perceptions and, thus applicable to our research to determine a leader's personality and traits during a succession. In addition to this, Stavrou, Kleanthous and Anatsiou (2005) use a theory of cultural configurations to look at the cultural impact on the transition.

The study (Stavrou, Kleanthous & Anatsiou, 2005) found that the personality type including the traits; extraversion, sensing, thinking and judging, abbreviated ESTJ, was more common among successful successions. The personality type may in other words be described as an outgoing and solution-oriented person with an ability to act quickly and make rational decisions based on the available information. Concerning the cultural configurations' effect on transitions, certain characteristics seem to be more common in successful transitions, such as collaborative in the family culture and participative in the business culture. However, no general pattern was found for the board culture. Lastly, the research compared the personality type and cultural configurations and found that the ESTJ type is common in collaborative family and participative business cultures as well as most board cultures. In other words, this study suggests that a successful transition is more common with a personality according to ESTJ and with a culture that is collaborative and participative. Stavrou, Kleanthous and

Anatasiou's study (2005) is one example of how this pattern of successful succession has been studied but there is more research that suggests similar patterns.

In another study by Chrisman, Chua and Sharma (1998, cited in Cater III & Justis, 2009) central successor characteristics within a family business were divided into the following categories: relationship to the predecessor, relationships to other family members, family standing, competence, personality traits and previous involvement in the business. They found integrity and commitment to the business to be the most important.

Goldberg found that effective successors have previously had experiences in different businesses in terms of size, type and age (1996 cited in Cater III, 2006). Furthermore, he argues that the most successful ones had mentors, possibly other advisors and counsellors during their development. Moreover, successors who were effective started their career at a suitable level of challenge which enabled them to develop. Once working for the family business, the successors who were effective had strong relationships with their predecessors (Cater III, 2006).

Regarding leadership qualities of successors in a family business, Cater III (2006) points to the lack of research concerning this area. However, he found four qualities that need to be present in a successor for effective leadership. These are "the need for 'hands-on' technical knowledge, the importance of long-term orientation, the need for a spirit of cooperation among family members, and the relevance of servant leadership" (Cater III, 2006, p. vii). Furthermore, Cater III (2006) explores whether the leadership style of a successor systematically differs from that of its predecessor. Though many researchers before him argued that founders have an overshadowing effect on the successor's leadership style, Cater's findings show that there are clear differences in leadership styles between predecessors and successors.

According to Ward (1997) there are a few best practices that predecessors can follow in order to make the succession as smooth and successful as possible. However, these recommendations include very little in regard to what the successors can do to create their own leadership style and develop themselves. Despite this, in a figure resembling Maslow's Hierarchy of Motivational Needs, Ward (1997) illustrates the different ownership motivations that successors can have in a family business (Figure 3). He argues that ownership

motivations at the bottom of the pyramid, such as comfort and security or keeping the family together, will most likely not lead to a committed, long-term family ownership alone but more motivational factors are required. Therefore, actualization/realization and contribution to society at the top of the pyramid, will more likely lead to a long-term family ownership (Ward, 1997).

Figure 1. The Pyramid of Ownership Motivations

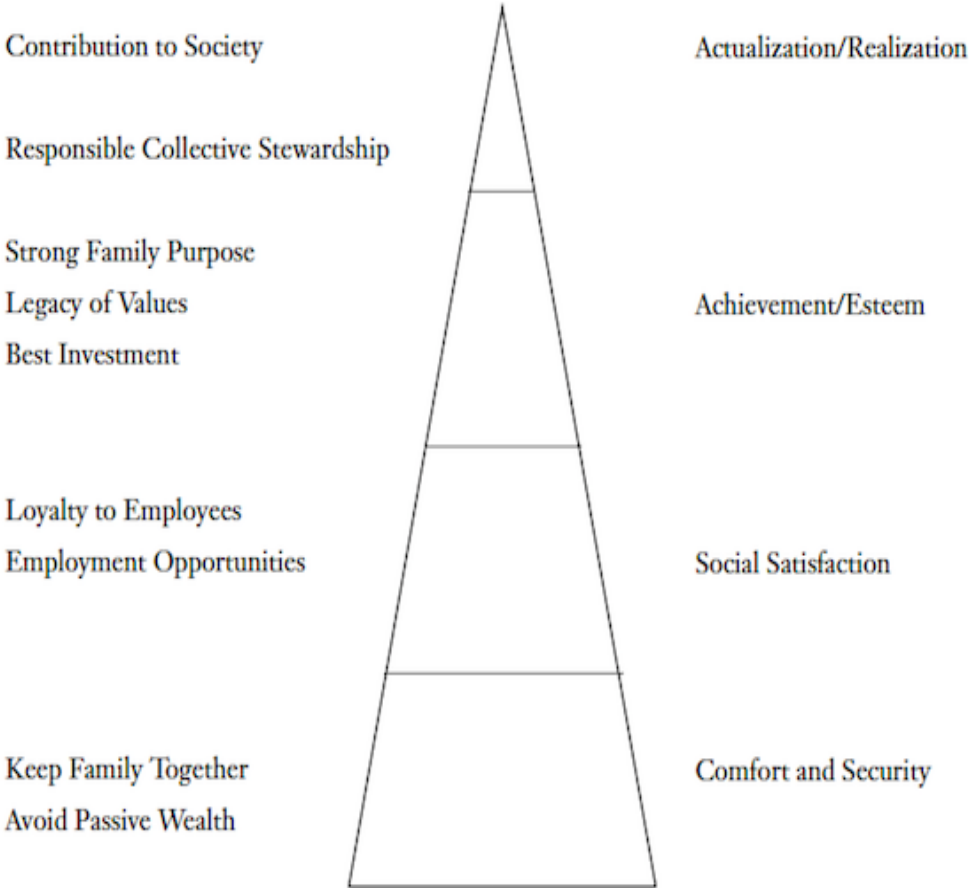


Figure 3. The Pyramid of Ownership Motivations (Ward, 1997)

As shown in the figure, for a successful succession in terms of the successor’s motivation, a wish to contribute to society and the ability to actualize the successor’s own work yield the best results.

3.2.2 The company and the founder

Previous research within the field of family businesses has focused on the founder of a family business and uses the founder as the starting point of the research (Cater III & Justis, 2009).

However, according to Cater III and Justis (2009) there is a gap in the research as a result of this focus. The founder's leadership is often seen as having "an overshadowing effect on subsequent generations in the family business" and plays a key role within the organizational culture (Cater III & Justis, 2009, p. 4). The founder's leadership style is generally entrepreneurial but research concerning the next generation's leadership style is lacking. In contrast to the family firm's founder, the successor usually starts in the business on a lower level and works their way to the top while learning about the business.

Churchill and Hatten (1987) developed a four stage-model of the parent-child succession in a family business: 1) owner management, 2) training and development, 3) partnership, 4) power transfer. In a process of succession, mutual respect and understanding between the generations are essential (Cater III & Justis, 2009).

Cater III and Justis (2009) identified some of the factors that shape the process of succession throughout the four stages of succession:

- A positive parent-child relationship supported by the whole family.
- Long term orientation, in other words a family business succession does not happen overnight, instead it takes place over a long period of time, sometimes up to 20 years.
- Passing the knowledge; parents often become mentors during the process.
- Cooperation between the predecessor and the successor; the predecessor needs to allow the successor to make their own decisions and mistakes.

Ward (2011) also emphasizes the importance of long-term planning as well as strategic planning to ensure the survival of a family business. According to Ward (2011), the following plans should be made; plan for family participation in the business, business and family strategic plans as well as successor's leadership development plan. The successor's leadership development plan involves, among others preparing the successor for business leadership, ensure his or her ability to move the business forward in the future and evaluate the successor's performance (Ward, 2011).

Among 50 family businesses, in a study in Europe, Americas and Asia, the most prosperous companies succeeded within the following four aspects (Fernández-Aráoz, Iqbal & Ritter, 2015):

1. Develop a governance structure that separates the family and business as well as ensures oversight from a professional board
2. Preserve the ‘family gravity’, i.e. at least one key family member in the center who personifies the corporate identity and values
3. Identify the future leaders within and outside the family
4. Disciplined CEO succession including a careful selection process and provision of support during the integration process

According to this study, the best performing businesses find and invest in their future leaders early to ensure a match in leader values as it was identified as the most important aspect within a family business (Fernández-Aráoz, Iqbal & Ritter, 2015).

3.2.3 The family

Caberera-Suárez (2005) studied the succession process and suggested a pattern between a successful transition and factors like training, commitment, interpersonal relationships, expectations and roles. Concerning the successor’s background, they found that academic training did not seem to contribute to a more successful succession, but recognized the value of improving the level of academic knowledge. Furthermore, the importance of a successor taking a subordinate role in another company to gain experience, develop credibility as well as a network with useful connections. They also found that the successor should not be forced into a role, and followed by this joint decision, the role should be assumed immediately with the full support of the predecessor. In other words, the predecessor ought to take a supporting and consulting role and have a tolerance for mistakes. There should be loyalty, collaboration, empowerment between the successor and predecessor while conflicts should be limited to work environment. Furthermore, the expectations of the successor should be positive but realistic and satisfactory for an optimal succession process. What distinguished the more successful to the less successful cases of succession the most, were interpersonal relationships, the role of the predecessor, and the successor’s expectations (Caberera-Suárez, 2005).

A study by Miller (2015) emphasizes the importance of the next-generation leaders of family businesses taking responsibility for their actions, a positive family climate and the predecessor's attitude to the succession. According to Miller, a sheltered and protective environment where next-generation family members are given roles in which they cannot fail, lead to difficulties gaining credibility, trust within the organization and developing their own leadership style. In contrast, when next-generation leaders are faced with difficulties and need to find solutions on their own, they are able to develop their own leadership style, providing a learning opportunity. In other words, providing next-generation leaders with opportunities for development is beneficial to their leadership development, even if it includes the risk of failure (Miller, 2015).

Miller (2015) recommends family business leaders to create a positive family climate, characterized by shared values and open communication, which also leads to positive business results. When next-generation family members experience a positive family climate, they are more likely to take responsibility for the successes and inevitable failures that will arise. Moreover, Miller points out that a successful successor ought to have a different kind of mindset than the commonly entrepreneurial predecessor. While independence and decisiveness serve entrepreneurs well when building a business, these characteristics are less advantageous when preparing the next-generation family business leaders to take responsibilities (Miller, 2015).

Lastly, Miller (2015) argues that the next-generation family members need to take initiative to develop their own leadership practices. This can be done either through creating a part of the organization that the next-generation leader has sole responsibility for or through external experiences. Regardless, it is important that next-generation leaders take initiative and responsibility for the development of their own leadership skills.

These studies point to the challenge of creating individual and personal leadership styles for the next-generation leaders as a result of the generational shadow by their predecessors. They also show the difficulties for successors to live up to family expectations and the many pressures and doubts that next-generation leaders must handle.

3.3 The seven identified factors shaping a successful succession

In light of the above discussion we are now presenting the seven identified factors from the existing research that shape a successful succession:

1. Background of the successor
2. Traits of the successor
3. Motivation of the successor
4. Company culture
5. Attitude of the founder
6. Positive family climate
7. Generational shadow

These factors form the basis of the analysis of the paper, where the collected empirical data is matched to the theoretical core of the paper.

4. Empirical analysis

In this section, the findings from the empirical data are analyzed and connected to the identified factors shaping a succession. These seven factors are illustrated in the figure below (Figure 4.). We present and analyze statements from family members involved as well as individuals affected by the succession in Green Investments to highlight and explain the central aspects. After matching the factors with the empirical data, we note one additional factor, sibling satisfaction, that has previously been overlooked in the theory and thereby hope to further develop the existing theoretical approaches to succession in a family business.

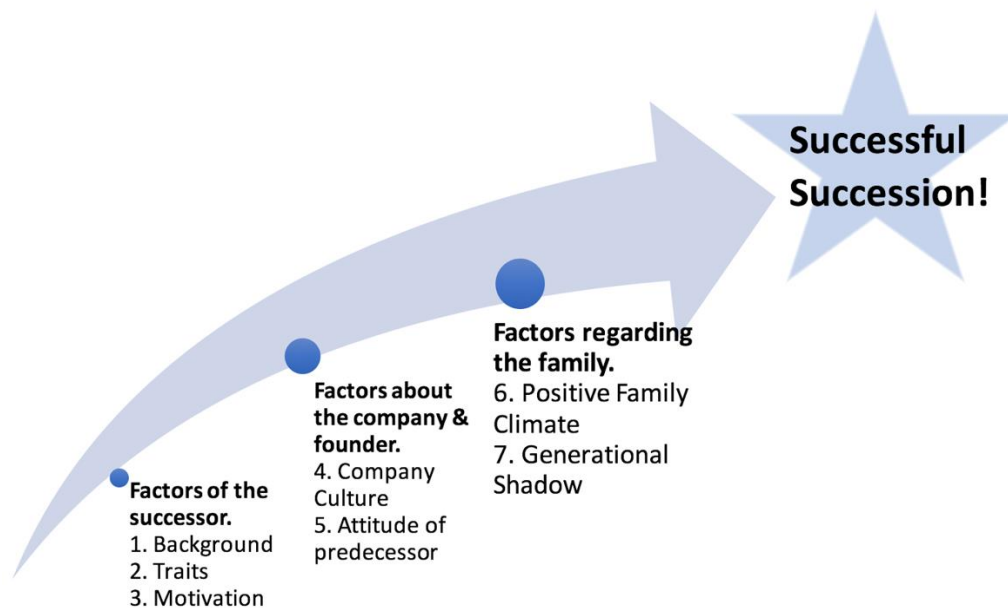


Figure 4. The 7 factors for a successful succession

4.1. Background of the successor

Caberera-Suárez' study discussed important factors for a successful transition and the study's conclusions are examined in light of Green Investments. Firstly, the recognized importance of improving the level of academic training. This may be seen in Green Investments' successor, as the CEO of a subsidiary company describes his knowledge and ability to constantly learn from his experiences.

"He possesses a proficiency (...), you notice that the successor is very well-educated and very skilled."

- The CEO of a subsidiary company

The successor also explained about his endeavor to expand his knowledge and continue his studies on an MBA level.

“...for some years before I had thought about doing an MBA, Master in Business Administration, and then I decided to apply...”

- The successor

During the interview, he continues to explain the rewarding experiences from the well-known university abroad and regards his time there as a valuable asset to his development.

Taking a subordinate role in a different company is another factor for a successful succession. This is seen in the successor as he has had different roles within finance as well as a subsidiary of Green Investments, Vision Factory. He points out that this prepared and provided him with the appropriate tools to be able to undertake the work in his current role. Among others, his work within private equity firms, evaluating and assessing companies, turned out to be a very useful skill in his current position as they constantly receive inquiries for possible subsidiaries or associate companies.

“It gave me the tools to analyze companies in different industries. And doing due diligence for acquisitions. But also in Vision Factory, how you actually build an entrepreneurial business with a strong growth. I think these two combined made me feel suitable for the role.”

- The successor

Miller's study points out the significance of successors taking responsibility for their own development, actions and decisions. In other words, if they are protected from failure during their development, important learning opportunities will be missed and the succession will not be as successful. Taking responsibility helps the successor gain credibility and trust in the organization. The successor of Green Investments states that his experiences and challenges in new and different environments played an important role as they helped determine his ambitions. This shows that he was able to follow his own path and take charge of his own development.

“It was really important for me to do my own thing. It’s about personal development and what your own interests are. (...) After a total of five years within finance I felt, now, I want to try something else.”

- The successor

To sum up, in terms of the successor’s background, as seen in the case of Green Investments’ successor, he has external experiences from other industries and companies, as well as taken initiative to expand his knowledge and improve the academic training through for example an MBA.

4.2 Traits of the successor

Since Anatasiou’s theory of the ESTJ type of personality (extraversion, sensing, thinking and judging), was the most common in successful successions, we compare these characteristics to the successor of Green Investments to determine whether his personality follows this theory. The interviewees’ descriptions of the successor demonstrate that his personality type seems to follow ESTJ to a large extent. As displayed below, the successor is the kind of person who values transparency and is able to change his mind if new information is presented. In addition, the CEO of a subsidiary company mentions that they always “take the discussions” which is highly connected with the ability to take action when necessary.

“I would definitely say that we have a lot of discussions, and you really feel like you have freedom of speech. You’re able to have different opinions and that’s okay. They (the successor, brother A and the founder) are prestigeless so they may think one thing but then be convinced that something else is better.”

- The CEO of a subsidiary company

Some additional key successor characteristics suggested by Chrisman, Chua and Sharma, such as competence and personality traits including integrity and commitment to the business have also been found in Green Investments’ successor. An external board member describes him as *“intelligent and a great listener with a high social competence.”*

When the successor describes himself and the business, he uses the term common sense:

“I think we are simple people who represent Green Investments and the family. I think it’s about not trying to be a person who you’re not or believing you’re on top of the world. We are very humble.

- The successor

This description connects to one of Green Investments’ central values, availability. In contrast to many other companies nowadays, the CEO’s contact information is easily found on their website. According to the successor, they should always be accessible and easy to contact the CEO both internally and externally; *“I’m not hiding anywhere”*. This demonstrates the successor’s ESTJ personality traits as well as important successor characteristics for a successful succession.

4.3 Motivation of the successor

The Pyramid of Ownership Motivation shows the role of motivating factors in a succession. The best motivation for a successor to take over the leadership is firstly, to have a will to positively contribute to society. Secondly, to be able to actualize and realize their own leadership and goals. These two factors are at the top of the motivation pyramid and serve as more lasting and reliable sources of motivation for the successor. An important aspect of Green Investments is their social commitment in the form of charitable work which the successor has continued and developed even further.

“... [our social commitment] was there before I started but I have developed it further to put my touch on it, partly formalizing what areas we support.”

-The successor

“Also being able to make a difference with different charity organizations. It’s really about being a good societal citizen. I think if you have the opportunity and have had the positive development that we had, then you should do it.”

- The successor

This demonstrates the successor's need to contribute and give back to society as he has extended the social commitment of the company. This can be a highly motivating factor in his succession.

The other top motivational factor is for successors to work towards self-actualization and realization of their own leadership. This is an important part of any succession process as it allows the successor to take matters in their own hands and follow their own development paths.

“It was an incredible journey in Vision Factory. And that was exactly what I was looking for, an entrepreneurial journey...”

- The successor

“I think it is very important to have external experiences [before working in the family business] because that's how you build up your qualities from other industries, get to know people, work for self-fulfillment. And only then, after that time are you mature to engage in the family business.”

- The successor

The successor's possibility to develop and work on his own leadership and self-actualization is a strong motivation for him to further develop the work in his CEO role. This may also be viewed as an influential factor to the successful succession in the company.

For an optimal succession process, the expectations of the successors should be positive but realistic. This is seen to some extent in Green investments:

“It's a big part of the job, setting up suitable boards and CEOs, and we often end up with the same analysis concerning who we believe in or not. I also think it's important to have the same humor, not taking everything too seriously and have fun at work.”

- The successor

“It's a mix of different things as it should be professional, but with the family it's a mix between business and psychology in some way. And a lot about values.

(...) but it's charming in some way. I think it's fun and thankfully, knock on woods, it works well within the family. We have a very good relationship together, that's nothing you can take for granted."

- The successor

Above, the CEO discusses the wide-ranging and different responsibilities regarding the business as well as the family. He acknowledges and is pragmatic towards the challenges of being the CEO in a family business in the sense that he is positive and confident but aware of possible difficulties. This confirms the theory of the realistic expectations of the successor in order to have a smooth succession.

4.4 Company culture

Family businesses are especially vulnerable during successions due to the emotional aspect. However, Green Investments seems to have managed without any larger conflicts according to the interviewees. Both long-term and strategic planning which have been proven to ensure the survival of a family business seem to be important aspects during the process as described by one of the external board members of Green Investments:

"The succession was agreed upon in the family and as far as I could see, no one was dissatisfied with it. I also think it depends on the preparation of the founder to include the boys and make sure they are close to one another. This had been important for the founder for a long time and did not just happen overnight."

- The external board member

The successor and current CEO of Green Investments is very happy about the "pain free transition". He confirms a good ambiance within the family, where everyone knows their roles, including himself and his father.

Long-term orientation has also been determined as an important factor during the four stages of parent-child succession by Cater III and Justis, which seems to be a recurring theme within Green Investments. According to a CEO of a subsidiary company, it is also seen in its company culture.

“...sustainability, honesty, a culture that shines through. The ambition is to be the long-term owners and this goes from generation to generation.”

- The CEO of a subsidiary company

The process of succession began long before the successor's actual assumption of the CEO role. One of the actions the founder took, was to ensure that the external board members were not in the same age as him in order to avoid a 'double generational shift'. Once the successor decides to leave all positions and roles within Green Investments, there will still be a few individuals left to help and support the next generation.

“Now they [the external board members] are in the age between me and my sons which fits well with the continuity. Had they all been in my age then it'd been a double generational shift; now one of them is 10 years younger than me and the other one almost 15 years younger, so they'll be here for a while...”

- The founder

Like many other successful family businesses as demonstrated in a study by Fernández-Aráoz, Iqbal and Ritter, Green Investments developed a strong governance structure that separated the family and business. Before the successor was appointed CEO, the structure was changed, among others, two external board members were appointed. The successor described the process:

“...we discuss other things that only concern the family at the dinner table within the family but here [in Green Investments] it must be professional...”

- The successor

He continues to explain the importance of external board members for balance, especially in times of disagreements:

“When we don't agree in the family it is very important to get the external input. So if we disagree about a matter at the dinner table, then we take it to the board. The discussions are much better when everyone is calm and we get the external board members to get involved in the matter. This makes it a lot easier for us to solve such conflicts.”

- The successor

This shows that the strong governance structure including the external board members in Green Investments is a well-working set-up and contributes to the successful succession.

Taking a further look at Anatsiou's theory regarding cultural configurations characteristics, the most common ones in successful transitions were collaborative in the family culture and participative in the business culture. These collaborative characteristics in the family as well as participative characteristics are seen in Green Investments. The CEO of a subsidiary company describes the family as:

"...very close (...) with a lot of discussions between [the family]. But they stand behind their decisions. They do this really well; of course, they don't always agree but they are incredibly good at making sure there are discussions, and then stand behind their decision within the family."

- The CEO of a subsidiary company

"... and then another thing is that these are genuine people (...) with their hearts at the right place and their feet on the ground. Very genuine people which I personally appreciate a lot."

- The CEO of a subsidiary company

The business culture is described similarly by all interviewees and confirm the participative business culture. The following quotes emphasize the importance and possibility for the employees to express their views.

"There should be a freedom of speech. Everyone should feel that they are able to say what they think. It sounds like this goes without saying, but in many organizations employees don't dare to have an opposite view to their superiors. So, I would like to emphasize this that there has to be a freedom of speech and one should dare to engage in a debate."

- The successor

"... and I think both the successor as well as the founder value that everyone is not 'yes people' because then it won't turn out well..."

- The external board member

“It’s one of Green Investments major strengths that they delegate the responsibility to their companies, and (...) let those in charge make decisions and take responsibility for their decisions. (...) they are really good in this assessment.”

- The CEO of a subsidiary company

The previously mentioned ESTJ traits type is common in collaborative family and participative business cultures and most board cultures. This can also be seen in Green Investments as the family and business are described as:

“I think the picture is fundamentally very positive. I think that in today’s social environment, an owner of flesh and blood is appreciated.”

- The external board member

“... this is partly due to a generosity and consideration towards the employees, also that different views don’t lead to controversies, but are instead appreciated.”

- The external board member

“There is a better decision-making power and action in a flat organization. Then you only need a phone call to reach the CEO and you have solved the problem instead of having to run around in between a lot of middle managers.”

- The founder

The owners are seen as social and genuine who believe in a flat organization where everyone interacts without hierarchal boundaries. This helps the decision-making as problems are brought up, discussed, and decided rapidly. Overall, the ESTJ type is seen both in the collaborative family culture, participative business culture and board culture. The entire organization is, as demonstrated by the quotes, built on collaboration and participation, confirming the theory of the most common culture structure in successful successions.

4.5 Attitude of the founder

The attitude of the predecessor, who is also the founder in Green Investments, is another important aspect for a smooth succession. If the predecessor is reluctant to leave the role and help the successor, the process will be difficult and the boundaries between the role of the predecessor and successor blurred. The successor explains his positive experience in this aspect of the succession.

“It’s great that we can work on two fronts here; I take care of the operative tasks, develop and take care of Green Investments as good as possible. And when it is necessary it is [the founder] who will take part in the political debate. I think this is a really good division of roles.”

- The successor

This shows that the founder’s approach of handling the succession was beneficial as the delegation of their tasks was clear and the successor was given room to take over the CEO position fully.

Other factors that influence a succession, such as a positive child-parent relationship and cooperation as well as the passing of knowledge between the successor and the predecessor were described by the successor:

“...the transition went well I think. It is an advantage that the founder has not just left (...) but he was and still is an active and engaged member and owner. This makes the transition very pain free and gradual. He’s been there to bounce ideas with me, that has been really nice.”

- The successor

Furthermore, one of the successor’s brothers confirmed this statement:

“[I see the succession] only positive. We three brothers work really well together and since our father is still involved in the business, it is a smooth transition.”

- Brother A

The gradual succession with the support of the predecessor is thereby emphasized. A predecessor's supporting role and tolerance for mistakes during the process are central aspects during the process. As shown by Caberera-Suárez there should be loyalty, support, collaboration, empowerment and conflicts limited to work environment. Especially at the beginning of the process, the founder was there for support when needed. Parents often take the role of mentors during the process:

"... when the successor had too much to take care of, I was able to support him during the transition period. It is very difficult to be the new CEO and take care of 17 companies, all in different industries. Therefore, we spread it out during a long period of time. Now that it's been almost 4 years, I maybe work 25% in the company..."

- The founder

The external board member confirms the positive relationship between the father and son, supported by the whole family; there is *"great confidence, mutual respect and understanding amongst the family members."*

Another important factor for the succession is the circumstances of joining the company; there should be a freedom of choice and the successor should not to be pushed into a responsibility. The founder of Green Investments hoped that one of his children wanted to take over but did not push anyone into the company.

"...I thought it was the best [for his children to take over] but if they had said that they did not want to take over, I would have respected it and had solved it in another way, but I thought this was really good..."

- The founder

"My parents were careful with not forcing us into this, which I am really grateful for. Instead they gave us the freedom to do exactly what we wanted. Then this was maybe the reason, or it was by chance, who knows, that I ended up involved in the family business. But I'm going to carry on this value to my own kids, I'm never going to influence them to work in the group..."

- The successor

“...our father has never tried to force us into the business but respected our choices in life.”

- Brother A

As displayed, the CEO was not forced to join the company and he had the freedom to do exactly as he wished which led to him assuming the responsibility on his own. This is also confirmed by one of the brothers who refers to this as one of the most important reasons for the successful succession.

4.6 Positive family climate

A positive family climate is an important contributing factor to a successful process of succession. A family environment characterized by shared values and open communication lays a better ground for an effective succession since successors are more likely to accept their responsibilities and cope with the pressure better. The family values that permeate the family business in Green Investments is mentioned by one of the external board members. He explains that the founder and the successor have a shared understanding of how to work with others, as well as the whole family, acting as a well-working unit together. The CEO of a subsidiary company also describes the family values as a central aspect for the family in Green Investments.

“...something that has characterized both of them [the founder and successor] was their consideration for those who worked in the company. And opening doors to a pleasant atmosphere. In that aspect, they are very alike.”

- The external board member

“...this is a close-knit family and the founder has worked on this consciously by making sure the boys and the family has had good relationships between themselves.”

- The external board member

The importance of open communication in the family as well as with external members of the group was also pointed out throughout the interviews. This further proves the point that Green

Investments is a good example of how a positive family climate, characterized by shared values and open communication, eases and strengthens the succession.

“The environment has an unbureaucratic and simple character which has been a positive factor. We have frequent discussions, and decisions are made ongoing based on discussions instead of at specific times.”

- The external board member

“We are probably similar in the sense that we dare to speak up. And I think that both of us are good communicators and this is an important aspect...”

- The successor

The positive family climate is also confirmed by one of the successor’s brothers who explains the relationship between the siblings as the following:

“Unpretentious, no jealousy, compassion and humor.”

- Brother A

This shows that the family climate is positive in Green Investments due to the shared values and open communication that prevails as well as the close relationship between the brothers. This contributed to an effective succession and facilitated the transition for the successor.

4.7 Generational shadow

The so-called “generational shadow”, frequently mentioned in the family business literature, does not seem to be a problem in the business as the founder has gradually decreased his responsibilities in the business.

“In these four years, I have on average left two boards a year. It has been a very gradual process and I’m only in two boards now.”

- The founder

Furthermore, everyone agrees that Green Investments is strongly connected and identified to the founder. However, it is not seen as something negative, instead something that can be

used to their advantage. According to a CEO of a subsidiary, the connection is “very clear” and he uses the founder’s name weekly to generate better business deals during negotiations:

“If you mention the founder’s name, it generates a slightly better rent or conditions or that we don’t need a security [for a loan]. It has incredible advantages for us.”

- The CEO of a subsidiary company

The successor knows that it is a difficult task to fill his father’s shoes, however, despite this challenge, they are certain that the successor will be able to become the ‘new face’ of the business and ease into this role eventually.

“Just open Dagens Industri (Swedish counterpart of Financial Times) and you’ll see it. The founder is the one who represents Green Investments in a very good way. He still does though, but now, he obviously matches the successor to that role.”

- The external board member

It is a clearly gradual process, however four years later, the successor has gained more media attention and is making a name for himself in connection to the business. A CEO of a subsidiary company is certain that the successor will be able to take over this external image role as he has already made several appearances in media.

4.8 Sibling Satisfaction - the additional factor

After reviewing the empirical material with the seven factors of a successful succession found in the current family business literature, we noted that the significance of the siblings’ perspective is overlooked. However, in the case of Green Investments’ succession, it is clear that one of the main factors of success is due to the consensus reached between the members of the next generation, meaning the three siblings, together with the founder. For this reason, the eighth factor, called *sibling satisfaction*, was added to the previously identified ones as a complement. This is shown in Figure 5.

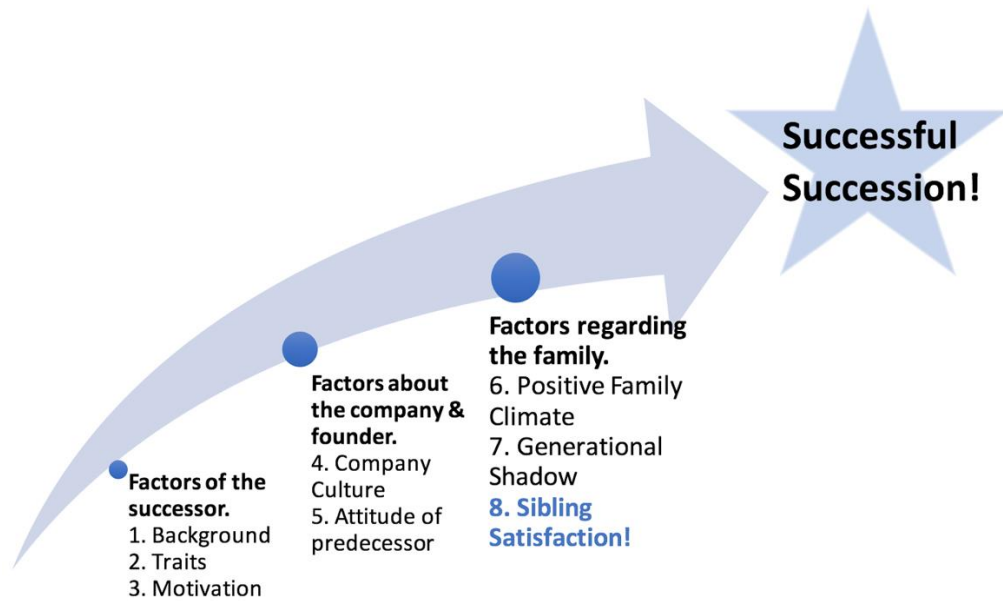


Figure 5. The seven factors and the additional factor, *sibling satisfaction* for a successful succession.

Sibling satisfaction can be explained as a consensus or a whole-hearted agreement amongst the possible candidates of the succession in the next generation regarding who will take over the role. It is not only the absence of rivalry, but also the approval and support of the siblings with regard to the process of succession. In the case of Green Investments, once the founder felt it was time for a succession, he involved the whole family in the discussion, including all siblings:

“It started with dad’s initiative; he wanted to discuss the succession. So, he sat down with me and my two older brothers. At that point dad was nearly 70, still active and engaged, but he thought it was time for us to get more involved in the family business. Neither my brothers nor I had thought about it earlier, we considered it to be dad’s project. But we sat down and the discussion ended with me taking over as the CEO in Green Investments. He is still the Chairman and owner and I am the CEO and my brothers are also involved in different ways. Both are board members of Green Investments and also involved in some of the group’s companies.”

- The successor

One of the successor's brothers explained his role in Green Investments as the following:

“I am part of Green Investments’ board, and I am a board member of Vision Company [and two subsidiaries and associate companies] as well as chairman of the board of [three subsidiaries and associate companies]. I see my role in Green Investments as an owner representative in the various corporate boards. (...) In addition, I see my role in Green Investment as an engaged and committed discussion partner regarding any new acquisitions and the direction we take...”

- Brother A

This shows that the succession process involved more than just the founder and the successor since the two brothers are also involved in the company but to a different extent. In other words, the succession is not only about the parent and child but it includes the whole family. This seems to be a factor of succession that is overlooked in existing family business literature, which tends to focus on the succession from one parent to a child, the successor. In addition, the existing literature in terms of the siblings, mostly concentrates on conflicts and rivalry. However, the active and conscious inclusion of the siblings in the decision and discussion can lead to satisfied members of the next generation, which contributes to a successful succession process. This discussion about the succession is described by one of the brothers of the successor as:

“The discussion unfolded naturally since both my older brother and I had already started our own businesses and [the successor] was also on his way to do so. Then we together came to the conclusion that someone should get involved in Green Investments and it was very logical that [the successor] took the role as the CEO. I am very pleased with the result.”

- Brother A

This shows that during the discussion, a relatively fast decision was made and all parties agreed. According to the founder, it was not a difficult decision as the other brothers had their own businesses to run:

“...we sat down and talked a bit about [the succession] since the two older brothers work around the clock with their own companies. (...) I don't think it took us a long time until we came to the conclusion that [the successor] was the most suitable one for many reasons.”

- The founder

According to the interviewees, the reason for the choice of the current CEO was firstly because he wanted to take over the role and possessed a fitting background. Secondly, the other brothers were not interested in such a position as they had their own businesses. Instead, the other siblings assumed positions in different boards within Green Investments.

“...and then it was important, maybe even more for my brothers who are 6-7 years older, to do our own thing, get our own good education, our own good jobs.”

- The successor

All three siblings were working on their future careers without relying on the security of their parent's company. Therefore, all three followed their own path and as the successor explains; since his brothers had their own businesses they did not wish to take the CEO position.

“Something that really had an impact was that both my brothers had their own businesses on the side of their involvement in Green Investments. (...) This is something they wanted to continue with and put their energy into therefore it wasn't the right time for them to work 100% in Green Investments.”

- The successor

In other words, sibling satisfaction also means that it is important for the parent to encourage the children to pursue their own passions and projects. Respect, and no pressure with regard to joining the family business also seem to be contributing factors to a well-functioning and agreeable family business environment. This way, all three brothers felt that they had to work for their own careers and develop by themselves. Once the time had come to discuss the succession possibilities, all siblings could agree and support the youngest son who became the successor.

According to the external board member of Green Investments, the founder has been conscious about planning the succession for a long time.

“The founder has actively encouraged the boys to do things together over the years to build up and strengthen the network between them. This has been going on for a long while and it has greatly contributed to the basis of their relations...”

- The external board member

In addition, it has been important for the founder to keep a dialogue with all children and treat them equally which lays the ground for a respectful relationship, without rivalry between them.

“The founder has had good dialogues with the sons and always made them feel equally important regardless of their different roles. In some way, even if the successor is the youngest brother, I noticed that his brothers have an immense respect for him, just as he has for them.”

- The CEO of a subsidiary company

The term “close knit family” with sound and stable family values appears numerous times throughout the interviews and seem to be a contributing factor to the success. As the external board member points out, the successor’s two older brothers are also very much involved in the business:

“This is what I mean with a group that is closely knit. It’s easy that the focus is turned to one person but it is between more than one or two people. It is all four of them [brothers and father] that are important together.”

- The external board member

“Brother B is extremely financially oriented and as I understood he didn’t want to jump into the operational activities. And he has successfully conducted business in the financial sector. This way he had his own stuff built up there. And brother A has during a number of years as a small-business entrepreneur

successfully developed many operations within commerce but also within children's products...

- The external board member

Not only work-related but also social activities are central to develop good relationships and decrease the risk of conflicts. The successor talks about his relationship with his brothers outside of the business environment as:

"...we have common interests and such, for example we try to travel with the whole family, (...) We try to have a routine of meeting every once in awhile (...) play golf, go hunting and we like other so-called simple things such as playing cards (...) and of course some of it is business talk but we are good at let that go and spend time together as a family."

- The successor

One of the successor's brothers also describes the brothers' good relationship as one of the main reasons for the successful succession, combined with the founder's attitude.

"I think [the successful succession] depends on two important factors. Firstly, that our father has never tried to force us into the business but respected our choices in life. The second one is that the three of us brothers have a really good relationship."

- Brother A

In summary, the importance of the siblings' perspective during the succession in Green Investments is evident. The clear consensus with regard to the successor taking over, the siblings' support, and not least their good personal relationship contributed to the successful succession. The succession was a joint decision between all family members which strengthened the successor's position as well as the company. This evidence in the empirical material together with the previous lack of research regarding the importance of sibling satisfaction led us to the results and contribution of this paper; managerial guidelines for the conduct of a successful succession in a family business. This guideline will be presented in detail in the following.

5. Result: Managerial Guidelines

After a thorough analysis of the seven factors and the added sibling factor, we have developed managerial guidelines in the illustration below to demonstrate the findings clearly. Each factor highlights its specific aspects. These guidelines are intended to assist managers within a family business planning and preparing for a succession.

Managerial Guidelines	- <i>The 8 factors of a successful succession</i>
Background	<ul style="list-style-type: none"> • Improving the level of academic training. • Taking a subordinate role in a different company. • Taking responsibility for their own development.
Traits	<ul style="list-style-type: none"> • Personality type and different characteristics of the successor.
Motivation	<ul style="list-style-type: none"> • Fulfilling different motivation factors. • The successor's expectations.
Company Culture	<ul style="list-style-type: none"> • Long-term and strategic planning. • Governance structure and external board members. • Some cultural configurations characteristics. • Participative business culture.
Attitude of predecessor	<ul style="list-style-type: none"> • Good attitude from the predecessor. • Positive child-parent relationship and cooperation as well as the passing of knowledge. • Predecessor as a supporting role and mentor. • Freedom of choice.
Positive Family Climate	<ul style="list-style-type: none"> • Shared values. • Open communication.
Generational Shadow	<ul style="list-style-type: none"> • Overcoming the generational shadow and avoiding the negative consequences of the company being identified with the founder. • The successor being able to become "the new face".
Sibling Satisfaction	<ul style="list-style-type: none"> • The family's participation in the business. • The succession including the whole family. • Everyone being content with the result.

Figure 6. Managerial guidelines for a successful succession in a family business

Our suggestion regarding these guidelines is that family business managers carefully consider all the different factors that are listed here during the planning and execution of successions. The different points within the guidelines are the key points of our result and by fulfilling

them, the process of successions can be more advantageous and lead to successful successions.

6. Discussion

This paper discusses the factors for a successful succession process in Green Investments. The managerial guidelines, or success factors have been constructed to facilitate the transition of roles from one generation to the next, thus are intended to help the short-term success. Green Investments has managed to do this without any larger conflicts or disagreements, therefore it is seen as a successful succession. Naturally, it is important that the involved actors, i.e. predecessor and successor(s) as well as the employees and other parties concerned are content with the change. However, not only is this essential but also the company's financial results, to ensure the firm's survival. Regardless of how smooth a succession is, it still needs to present positive results. Since the start of the succession in Green Investments, the company's size in terms of the number of subsidiaries and associate companies as well as its revenues have risen steadily. This only further proves its successful transition of leadership roles from the parent to the children.

As these guidelines are based on one company operating in Sweden, there might be a few limitations concerning its adaptability. Nevertheless, as they are very general it is still possible to use the ideas and adapt them to companies in other fields or geographical locations. Below we compare Green Investments to the case of Jiro to highlight the similarities and differences in their successions.

Both Jiro and Green Investments' founders are charismatic founders, strongly associated to the company. Signs have shown people's reluctance towards Jiro's son taking over, in contrast to Green Investments. In Green Investments, all interviewees agree upon the founder's figurehead image while simultaneously acknowledging the successor's acceptance and ability to replace this image in the future. The Jiro case is however different from Green Investments in many ways. Jiro's son does not have a background of diverse experiences but worked within his father's business all his life. Furthermore, he attempts to replicate Jiro's work and thus has a hard time getting recognized on his own. In both cases, some of the siblings choose to follow their own path of running their own businesses rather than taking over the family business. This seems to be successful and by doing this they avoid the implications of

succeeding a figurehead. To sum up, we can see that when the success factors determined in the analysis are not fulfilled, successions tend to go less smooth and meet resistance.

In the illustration below, a comparison between Green Investments and Jiro is summarized which shows that Green investments fulfill all the determined factors while Jiro has some flaws in several of them. This can be seen as an example of the factors' importance and taking them into account in family businesses not only in Sweden but also in other countries.

<i>Success factors</i>	<i>Green Investments</i>	<i>Jiro</i>
<i>Background</i>	Yes	No
<i>Traits</i>	Yes	Partly
<i>Motivation</i>	Yes	Partly
<i>Company Culture</i>	Yes	Yes
<i>Attitude of Predecessor</i>	Yes	Partly
<i>Positive Family Climate</i>	Yes	Yes
<i>Overcoming Generational Shadow</i>	Yes	No
<i>Sibling Satisfaction</i>	Yes	Partly

Figure 7. The success factors in the light of Green Investments and Jiro¹

¹ Both Green Investments and Jiro differ in regards to what degree they fulfill each identified success factor. The result is based on the companies' adequate fulfillment of the identified factors to be considered successful. However, this does not mean that they could not have been fulfilled to a higher degree. Also, it should be noted that the information about Jiro is based on secondary data and since we conducted a qualitative study on Green Investments, the two analyses cannot be considered equivalent.

7. Conclusion

The purpose of this paper is to deepen the understanding of how family businesses can succeed in the process of succession by illustrating a successful succession within a family business in Sweden. The paper's thorough analysis is based on the systematic literature review which accounts for the most relevant and acclaimed research within the field of family business and succession. Our hope is to contribute with guidelines for a successful succession in a family business, introducing a factor of succession, sibling satisfaction, which has previously been overlooked.

In this paper the factors of a successful succession were identified firstly by using the existing theories in the field of family business successions, secondly by identifying an additional factor based on our empirical data. Our empirical findings point to the importance of the sibling satisfaction during a succession in a family business. With the identified eight factors as well as the managerial guidelines that sum up our findings we hope to contribute with a deeper understanding of succession processes in family businesses. We aim to accomplish this by confirming theories about a successful succession in a Swedish family business from founder to next-generation and adding a new perspective to the process, which includes that of the siblings. We argue that in addition to the theories' demonstrated necessary aspects for a successful succession, there is an aspect of all the siblings being content with their roles in the business in order to gain this successful transition.

The succession process is a critical and deciding time in the life of family businesses.

These managerial guidelines are intended to support and help other firms planning or in the process of a succession. Since only a third of all family firms manage to transfer into the next generation and an alarming 12 % into the third, they are very much in need. An increased number of successful successions would have a great significance on the global economy as 8 out of 10 businesses are family businesses. These guidelines have been formed to help the short-term success of a company during a transition, they are not a long-term guarantee for survival and success. Nevertheless, our hope is to help more companies with a smooth transition and thereby increase the number of companies that continue into the next generation.

We have used a number of studies by well-known scholars based on different companies and locations in the field of family business to further enhance credibility. The number of interviews might be seen as limiting, however these individuals had been carefully selected as they were most central during the process. The interviewees had different roles and responsibilities within Green Investments which enabled several perspectives on the succession. As a result of some personal questions regarding family, the interviewees might have used self-censorship to avoid revealing too personal details.

The subject of succession within family businesses has a vital importance in the field of business research. This guideline may be used as a tool for other qualitative studies comparing different family businesses and their respective processes of succession. For example, it would be interesting to study a company's succession from the start, i.e. the beginning of the planning and preparation process until the appointment of the successor and the transition of roles. In other words, not only study a company's succession after it has taken place, but also the time period before which is vital. Our empirical material only consists of interviews, however it would be interesting to conduct observations to be able to observe the day-to-day work throughout the process of succession at the company's office. In other words, it would be interesting to compare the interviewees' interpretations and perceptions to the actual reality through observations. In addition, it would be interesting to test the hypothesis for big data and a large number of companies in quantitative studies. Another interesting aspect that appeared in the empirical material, but was too vague to make any conclusions about, was the successor's wish for personal leadership development to become their own unique person, instead of only being seen as the son of the founder. These aspects are additional suggestions for future research and may be interesting to study further. Lastly, it would be interesting to follow Green Investments to see how a future succession would proceed; is it going to be as smooth if/when the third generation takes over? Will they be able to use the managerial guidelines that are based on their predecessors to be able to manage a successful succession?

All things considered, it is undeniable that family businesses play a vital role in the world economy today. In order to carry on to the next generation their survival is dependent on successful successions. We argue that this is a process that not only includes the parent and child, but the whole family. A knowledge that family businesses, managers and family

business employees around the world can carry along in hope for many future successful successions to come.

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