Factors Preventing Intra-Family Succession

Alfredo De Massis, Jess H. Chua, James J. Chrisman

Although research on management succession is a dominant topic in the family business literature, little systematic attention has been given to the factors that prevent intra-family succession from occurring. Based on a review and analysis of the literature, this article presents a preliminary model on the factors that prevent intra-family succession.

Introduction

One of the most important research topics in family business is management succession. Researchers observe that only a small percentage of family firms survive the transition to the second generation and many intergenerational transitions fail soon after the second generation takes control (P. S. Davis & Harveston, 1998; Handler, 1990, 1992; Morris, Williams, Allen, & Avila, 1997; Sonnenfeld, 1988; Ward, 1997, 2004). Thus, is it not surprising that management succession is the most important concern of family business leaders (Chua, Chrisman, & Sharma, 2003), the issue for which family business consultants are most frequently engaged (Upton, Vinton, Seaman, & Moore, 1993), and the most frequently researched topic in the family business literature (Brockhaus, 2004; Handler, 1992; Montemerlo, 2000; Ward, 2004).

Surprisingly, despite the volume of work on family business succession, our review of the extant literature indicated that little systematic attention has been given to modeling the factors that prevent the transfer of managerial control from one family member to another. Understanding what prevents intra-family succession is important because the root causes can also threaten the viability of the firm and the harmony of the family, not to mention jeopardizing the cherished intentions of the incumbent leader, potential successors, and other stakeholders. To fill this gap, we develop a model of the factors that prevent intra-family management succession based on a comprehensive review and analysis of the family business literature.

The initial model of factors preventing intra-family management succession presented in this article will help researchers augment, organize, and interpret those factors. By proposing a chain of causation from the antecedent factors to the proximate general causes preventing succession by a family member, the model will facilitate empirical testing of how these factors affect the outcome of the family business succession process as well as guide normative research on how the impediments to succession can be overcome.

The article is structured as follows. The next section defines key terms and describes the scope of the study. We then discuss the components of our model. These components are derived from a comprehensive review and analysis of academic literature and family business case studies. We conclude by outlining directions for future research and theory development.

Definitional Issues and Scope of the Study

Definitions in the social and behavioral sciences can be problematic, with few terms in the literature having universally accepted definitions (Hoy & Verser, 1994). It is therefore important to define our basic terms and to clarify the scope and objectives of the research. In this study, we opted for inclusive definitions that allow a more comprehensive listing of factors.

The critical terms that need to be defined are *family business, incumbent, potential successor, family succession, succession process, succession has not occurred or has been prevented*, and *factors preventing succession*. We follow Chua, Chrisman, and Sharma (1999, p. 25) in defining a family business as "a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families." This definition is consistent with our purpose since it emphasizes the importance of the intention for transgenerational pursuance of vision and the control of the dominant coalition in the firm that enables the pursuit of that vision.

We define the *incumbent* as the person who holds the top management position in a family business and who must relinquish that position before another family member can take over. We use *potential successor* in its most encompassing sense, without judgment about willingness, ability, training, or resources. Thus, a potential successor is any family member who could assume managerial control of a family business when the incumbent steps down.

Except where otherwise specified, the term *succession* refers to situations where both the incumbent who relinquishes managerial control and the successor who takes it over are family members (i.e., related by blood or by law). We did not consider situations where leadership is transferred to a nonfamily member temporarily, regardless of the duration of that transfer.

The *succession process* is defined as the actions, events, and developments that affect the transfer of managerial control from one family member to another (Sharma, Chrisman, Pablo, & Chua, 2001). This includes the process that occurs between time t_0, when the dominant coalition in the family business forms the intention for succession, to time t_1, when the incumbent relinquishes managerial control. For our purpose, the dominant coalition could consist of a single individual, as is often the case in a founder-controlled family business, or many individuals, as might be the case in sibling partnerships or cousin consortiums (Gersick, Davis, Hampton, & Lansberg, 1997). We do not consider any action, event, or development that occurred before the intention for succession is formed or any "retrospective" factors that might occur after the succession has taken place even if such factors have a negative influence on the performance of the firm or the dynamics within the family. Thus, whether the business remains a family business after t_1 is beyond the scope of our study. In the rest of the article, we shall refer to the actions, events, and developments occuring between t_0 and t_1 that prevent succession from happening as *factors preventing succession*. We do not, however, attempt to make qualitative or quantitative judgments about their importance.

Clearly, if there is no intention on the part of the dominant coalition in the family business to transfer managerial control from one family member to another, or there is no family member to take over, the succession process will not be initiated and family succession will not take place. We exclude these situations because they are not of great interest to researchers who aim to help family businesses manage their succession processes better. Thus, when we state that family business *succession has been prevented* we mean that, although there is both an intention for succession and a potential successor at t_0, either the intention or a potential family successor no longer exist at t_1. It must be emphasized, however, that succession not taking place should not be equated with failure of the succession process because failure must be judged relative to goals and these may change at any time during the process.

Factors Preventing Succession

To identify factors that might prevent succession from occurring, we reviewed the literatures in family business, management, economics, anthropology, history, psychology, sociology, and law. We also reviewed case studies on family business and

CEO succession from the main case databases: European Case Clearing House, Harvard Business School Cases, Ivey Publishing, Darden School of Management, INSEAD, Institut pour L'Etude des methods des Direction de L'Enterprise, European Institute of Business Administration, and the *Case Research Journal* up to 2005. A list of factors we uncovered that might prevent succession, and their supporting bibliographic sources, is provided in the Appendix.

The factors that play a role in the succession process are not necessarily factors that prevent succession from taking place. We made our determination of the factors to include in the model based on whether by direct evidence or inference we judged it to be reflective of (1) the absence of a necessary condition for succession to take place, or (2) a sufficient condition for succession not to take place. Although we did not second-guess the authors with respect to these alternative conditions, in cases where the author(s) of the article or case study did not indicate that the factor meets one of the two conditions, the factor was included nevertheless if it appeared to meet one of the conditions. For example, the factors based on case studies were, for the most part, derived through logic or by extrapolation.

Not all the factors are unique to family firms. Thus, if a firm is not financially viable, succession will not occur regardless of whether it is a family business or not. However, in a nonfamily firm, any change in leadership constitutes succession; in a family firm, leadership must pass to another family member to be so classified. In addition, while our list may include factors that other researchers believe are not important, we believe that such determination requires empirical research and, consequently, that our list should err on the side of inclusion.

The Model

We developed the model through an iterative process that involved a review and analysis of the literature and extensive discussions and adjustments. The process led us to identify three exhaustive but not mutually exclusive direct causes that prevent a previously intended succession from occurring: (1) all potential family successors decline the management leadership of the business; (2) the dominant coalition rejects all potential family successors; or (3) the dominant coalition decides against family succession although acceptable and willing potential family successors exist. The third cause includes those situations where the family business is not deemed financially viable or sufficiently rewarding and sold. Our review and analysis also identified five exhaustive but not independent categories of antecedent factors for the three direct causes: (1) individual factors, (2) relation factors, (3) context factors, (4) financial factors, and (5) process factors.

Figure 1 shows the proposed relationships between the five antecedent factors and the three direct causes of succession not occurring. As shown, individual and relation factors affect direct causes (1) and (2), while context factors affect all three. Financial factors, which may be affected by context factors, directly affect only direct cause (3). Process factors are moderators of the individual and relation factors since they strengthen or weaken the association between these antecedent factors and the direct causes of succession not occurring. Although not shown in Figure 1, it should be clear from the discussions to follow that the factors are also interactive.

As shown in Table 1, the five categories of antecedent factors may be further classified into subcategories and individual antecedent factors. These factors are discussed below.

Individual Factors

Many studies of succession assert that problems occur due to factors that operate at the individual level (e.g., Kets de Vries, 1985; Kets de Vries & Miller, 1984; Levinson, 1971). This category is divided into two subcategories denoting the central stakeholders in succession: *successor related* or *incumbent related*. The successor-related factors include the following.

Low ability of potential successor(s). If a potential successor is not endowed with the

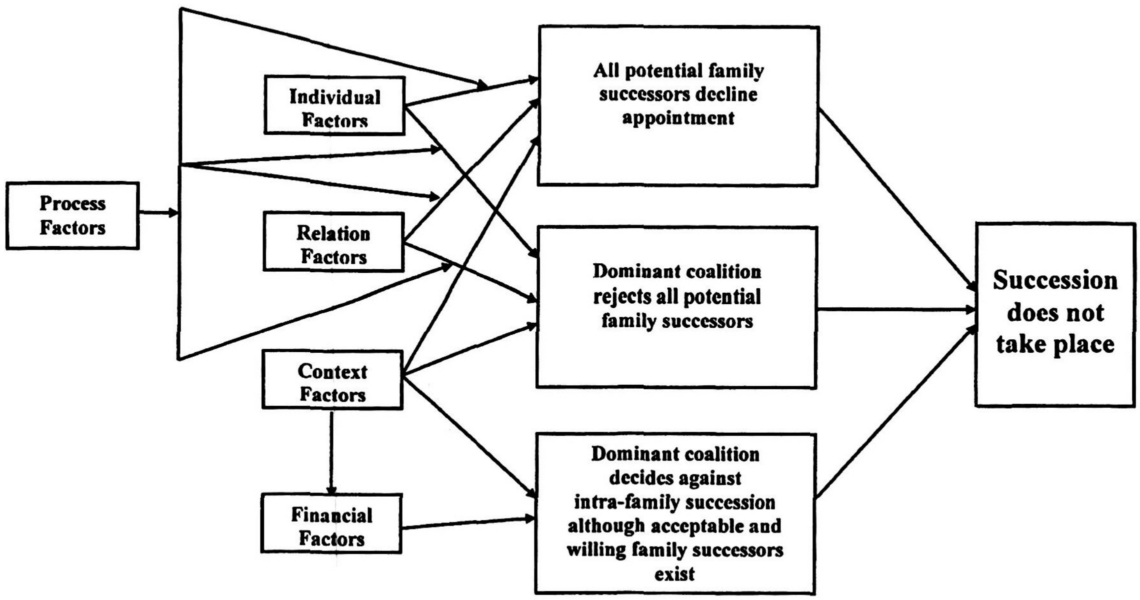

Figure 1 A Model of the Factors Preventing Intra-Family Succession in the Family Firm.

necessary skills to take over the management of the business, the succession may not take place because such underqualification may either lead him or her to refuse the position or cause the dominant coalition to reject the potential successor. This is in line with numerous studies arguing that the successor's ability to lead the business is linked with positive succession outcomes (Barach & Gantisky, 1995; Barach, Gantisky, Carson, & Doochin, 1988).

Dissatisfaction/lack of motivation of potential successor(s). A willing and committed successor appears essential for succession success (Chrisman, Chua, & Sharma, 1998; Sharma & Rao, 2000). Thus, successor dissatisfaction or lack of motivation could prevent succession from taking place either because the potential successor refuses the position or the dominant coalition refuses to appoint him or her. For example, in Tiverton Media Corporation (Cespedes & Galford, 2004), the successor's lack of motivation was a major factor stopping the succession.

Unexpected loss of potential successor(s). Succession might be prevented if the potential successor dies or becomes ill (Handler & Kram, 1988). If this happens in a nonfamily firm, a different nonfamily manager can be appointed. But, in the family firm, if only one potential family successor exists, then intra-family succession would no longer be possible.

The incumbent-related factors consist of the following:

Personal sense of attachment of the incumbent with the business. An incumbent's inability to let go is the most cited barrier to effective succession (Sharma et al., 2001). If the incumbent is too attached to the business, the potential successor might not be given the opportunity to develop the skills or earn the respect necessary to manage the business. Such a situation might cause the successor to decide to leave the family business in search of other opportunities, or members of the dominant coalition to decide the successor is not competent enough to run it. This is what

Table 1 Factors Preventing Intra-Family Succession

Category	Subcategory	Factor
Individual factors (related to profile and/or motivation of single individuals)	Successor(s)-related factors	Low ability of potential successor(s)
		Dissatisfaction/lack of motivation of potential successor(s)
		Unexpected loss of potential successor(s) (e.g., death or illness)
	Incumbent-related factors	Personal sense of attachment of the incumbent with the business
		Unexpected, premature loss of the incumbent (e.g., death or illness)
		Incumbent's unforeseen remarriage, divorce, or birth of new children
Relational factors (regarding the relationships with/among family and nonfamily members involved in the family business)	Family members	Conflicts/rivalries/competition in parent-child relationship
		Conflicts/rivalries/competition among family members (e.g., sibling rivalries)
		Perils related to high "consensus sensitiveness" of the family business
		Lack of trust in the potential successor(s)
		Lack of commitment to the potential successor(s)
	Nonfamily members	Conflicts between incumbent/potential successor(s) and nonfamily members, and nonacceptance of the potential successor(s) among nonfamily members
		Lack of trust in the potential successor(s)
		Lack of commitment to the potential successor(s)
Financial factors (regarding inadequate internal financial resources and excessive opportunity costs associated with raising external financing)		Inability to sustain the tax burden related to succession
		Inability to find financial resources to liquidate the possible exit of heir(s)
		Inadequate financial resources to absorb the costs of hiring professional managers
Context factors (associated with changes in the political-economic environment in which the family business operates)		Change in the business performance
		Decrease in the scale of the business
		Loss of key customers or suppliers/decline of the relationship between the potential successor(s) and customers or suppliers
Process factors (related to the absence of good actions or the presence of bad actions that cause succession not to take place)	Establishment of the preparatory activities	Not clearly defining the roles of the incumbent and the potential successor(s)
		Not communicating and sharing the decisions related to the succession process with family members and other stakeholders
	Development of successor(s)	Incorrectly evaluating the gaps between needs and potential successor's abilities
		Failing to train potential successor(s)
		Late or insufficiently exposing potential successor(s) to the business
		Not giving the potential successor(s) sufficient feedback about the succession progress
	Selection of successor(s)	Not formalizing rational and objective criteria for selection
		Not defining the composition of the team in charge of the assessment of potential successor(s)

happened in Braun Gesellschaft (Sveen & Lank, 1993).

Unexpected, premature loss of the incumbent. Usually, the incumbent has a central role in succession decisions (Kelly, Athanassiou, & Crittenden, 2000). The unexpected loss of the incumbent during the succession process, due to death or illness, could therefore prevent succession from occurring. For example, it could alter the composition of the dominant coalition, which may lead to changes in goals, succession intentions, or outlooks on the attractiveness of succession vis-à-vis other options. The premature loss of the incumbent may also occur at a time when the potential successor does not have the ability or motivation to take over.

Incumbent's divorce, remarriage, or new children. The birth of new children, or the remarriage or divorce of the incumbent during the succession process, may impede succession. In the Bonnier Group, the birth of six children by three wives of a sixth-generation leader created a difficult inheritance with long-term implications for succession (Dick & Kets de Vries, 1992).

Relation Factors

The literature on family business (Churchill & Hatten, 1987; P. S. Davis, 1983; Lansberg, 1983; McCollom, 1988) recognizes the pivotal role played by relationships between different groups of individuals, arguing that bad interpersonal relationships are the cause of potential conflicts that obstruct succession (Kepner, 1983; Lansberg, 1983; Rosenblatt, de Mik, Anderson, & Johnson, 1985). The relationships included in this category may be among family members or between family and nonfamily members. Relation factors include the following.

Conflicts/rivalries/competition in parent-child relationship. Lansberg (1988) notes that the quality of the relationship between the incumbent and the potential successor is essential for succession. If there is conflict, the succession process might be put at risk because the potential successor may decide to leave the business or the incumbent might block the appointment.

Conflicts/rivalries/competition among family members. Family harmony is assumed to help the succession process (Churchill & Hatten, 1987). Conflicts between family members (e.g., sibling rivalries) may prevent the appointment of a successor or discourage applications for the position. In the Nadia Corporation, conflicts between the three brothers caused the company to consider splitting into three parts so each sibling could go his own way (Kets de Vries, 1989).

Perils related to high "consensus sensitiveness" of the family business. A family business is "consensus sensitive" (Reiss, 1982) when there is great need for consensus among family members in general or the dominant coalition in particular (Kelly et al., 2000). If few important decisions can be made without unanimous approval it increases the likelihood of the dominant coalition rejecting the potential successor. Consensus sensitivity can also make it difficult for potential successors to develop the decision-making skills necessary to run the business.

Lack of trust in the potential successor(s) by family members. A successor must be trusted or he or she will not be considered a legitimate leader and will not be selected to manage the family firm (Barach et al., 1988). Chrisman et al. (1998) and Sharma and Rao (2000) both found that family firms consider integrity to be the most important attribute of a potential successor.

Lack of commitment to the potential successor(s) by family members. If family members are not committed to the potential successor, he or she may not be given the opportunity to demonstrate the requisite management abilities nor will he or she be likely to gain the dominant coalition's confidence. This is what happened in the Nadia Corporation (Kets de Vries, 1989). Such a situation may cause the potential successor to renounce the candidacy, thus preventing succession from taking place. On the other hand, some members of the family holding important roles may threaten to leave the firm because of dissatisfaction with the choice of successor. In such cases, in order to bring them back into the business, the dominant coalition may decide not to appoint a particular potential successor. If there are no other acceptable candidates, succession will have been prevented.

The subcategory on relationships between family and nonfamily members involves the following factors.

Conflicts between incumbent/potential successor(s) and nonfamily members. Conflicts with nonfamily managers can be a barrier to succession (Bruce & Picard, 2006). In the case of Noren Discount Stores (Goldberg, 1997), conflict between the successor and key nonfamily managers was the main factor making the family business unable to survive after its founder retired. Such problems are unlikely to go unnoticed by members of the dominant coalition, who may decide against appointing the potential successor to avoid an escalation of conflict. The potential successor might also decide to avoid such conflicts by refusing the position.

Lack of trust in the potential successor(s) by nonfamily members. Similar to above, a lack of trust by nonfamily members can result in a potential successor not being appointed.

Lack of commitment to the potential successor(s) by nonfamily members. Without the commitment and support of nonfamily members, a potential successor may not be considered for the top management position, thus preventing succession from occurring. This lack of commitment may cause nonfamily members to leave or threaten to leave the firm. For example, in the Roland and Stone case (Kets de Vries, 1986), many nonfamily top managers started leaving the family business when the incumbent announced his imminent retirement. Threats to leave may end a potential successor's chances of taking over. Defections by key nonfamily managers may also alter the economics of the decision to keep the business in the family. Either can thus prevent succession.

Financial Factors

Financial factors may play a role in preventing succession (Parrini, 2000). This category includes factors related to limitations in the internal financial resources of the family business and the opportunity costs of obtaining external financing.

Inability to sustain the tax burden related to succession. Since management succession is usually accompanied or followed by ownership succession, the tax burden associated with the transition (e.g., inheritance) could exceed the family's liquid resources (Parrini, 2000; Perrini, 1998). Although funds could be borrowed, the dominant coalition may decide that the debt service would be too high to justify keeping family control and may opt to sell or liquidate the firm's assets. Such actions would, of course, virtually eliminate the possibility of intra-family succession. Selling shares privately or publicly to raise funds would be another option, but the reduction in control would again significantly decrease the likelihood of intra-family succession.

Inability to find the financial resources to liquidate the possible exit of heir(s). When the incumbent has many heirs, but only one or a few intend to remain involved in the family firm, the other heirs may wish to sell their shares. If the remaining heirs cannot afford the purchase, the only alternative to selling the business outright would be to seek outside financing. In this situation, either the potential to lose control or the absence of prospects attractive enough to warrant additional investment could frustrate intra-family succession.

Inadequate financial resources to absorb the costs of hiring professional managers. Recruiting competent professional managers, when they are necessary for succession (e.g., because the potential successor is underqualified), can be very expensive, especially if the lack of opportunities for advancement obliges the firm to pay higher than normal salaries. The lack of financial resources necessary for such an undertaking may prevent succession. Furthermore, if succession requires professional manager(s) to be hired because the potential successor is not endowed with the same level of managerial skills that the incumbent possessed, the family business will incur agency costs (Eisenhardt, 1989a). The potential costs of adverse selection and moral hazard may reduce the attractiveness of succession to the dominant coalition.

Context Factors

Pfeffer and Salancik (1978) contend that context can influence succession because uncertainties and contingencies in the business environment affect the distribution of power and control within firms and this distribution, in turn, influences selection and replacement of successors. Thus, the context factor category includes factors associated with changes in the economic environment in which the family business operates.

Change in business performance. A change in market conditions (e.g., market growth slowing or declining, increased competition) may significantly alter the dominant coalition's assessment of the future prospects of the family business and cause it to change its intentions for succession. For example, if changing market conditions dramatically increase the probability of business failure in the lifetime of the incumbent, pressures to sell the family business could prevent succession from taking place. In addition, an actual or expected decline in firm performance reduces the financial attractiveness of the family business for the potential successor and this may cause him or her to seek other opportunities outside the firm (Sharma et al., 2001). Changes in market conditions may also alter the willingness of the potential successor to take over. An example is provided by Tiverton Media Corporation, where changes in the market environment forced the firm to change its business model and caused the incumbent to assign the potential successor tasks that were outside his expected routine (Cespedes & Galford, 2004). Unfortunately, the new assignment was not consistent with the potential successor's interests; this decreased his motivation to succeed and finally made him leave the business.

Decreased business scale. Stavrou (1999) suggests that there is a positive correlation between business size and the intentions of offspring to join the family firm. Thus, a decrease in size may lead a potential successor to leave the firm as a result of a perception that future monetary and nonmonetary rewards will be unattractive (Venter, Boshoff, & Maas, 2005).

Loss of key customers or suppliers, or deterioration in the relationship between potential successor(s) and customers or suppliers. Customers or suppliers of a family business are often accustomed to interacting with the owner (Lansberg, 1988), with whom they develop a personal and trusting relationship over time. Potential successors may experience difficulties establishing similar relationships. Consequently, some customers or suppliers may demand that the incumbent continue to handle their account, cease or alter the business relationships with the family firm, or threaten to do so once the succession occurs. This may prevent succession from taking place if those customers or suppliers are critical to the family firm's survival.

Process Factors

This category encompasses factors related to aspects of the succession process that cause succession not to take place. As noted above, process factors, because they deal with preparing the successor, evaluating the successor, and communicating with the family firm's key stakeholders, can exacerbate or ameliorate the individual and relation factors that might prevent succession. Depending on which stage of the succession process is considered, it is possible to distinguish three subcategories. The first comprises factors related to preparatory activities.

Not clearly defining the roles of the incumbent and the potential successor(s). Having a clear transitional role for both the incumbent and the successor is vitally important (Lansberg, 1988). Lack of a clear role for the incumbent during the transition may hinder the successor's ability to earn respect and, as a result, prevent him or her from gaining the commitment of other family members and nonfamily managers. As discussed above, this could prevent succession from taking place. Equally, if the potential successor's role during the succession process is unclear, the potential successor may lose motivation and, eventually, decide not to accept the top management position.

Not communicating and sharing the decisions related to the succession process with family members and other stakeholders. Sharing views about the critical objectives of the family business is believed essential to succession (Dyer, 1986; Ward, 1987). If sufficient attention is not paid to creating a shared vision, the succession may not take place because of the possible conflicts arising from misunderstandings on the part of family members or nonfamily managers.

The second subcategory includes factors concerning the development of successor(s).

Incorrectly evaluating the gaps between the potential successor's needs and abilities. An accurate evaluation of the gaps between the skill requirements for the successor and the abilities of a potential successor is necessary to set up an appropriate management development plan (Fleming, 2000). If these gaps are not correctly evaluated, the potential successor's training may not be suitable and this could forestall his or her appointment.

Failing to train potential successor(s). The training of a potential successor is a vital factor for succession (Morris et al., 1997). Formal leadership training plans including work both inside (Churchill & Hatten, 1987) and outside the family business (Ward, 1987) may be required. If attention is not given to formal training, the succession may not take place because the potential successor will be inadequately prepared to assume the top management position.

Late or insufficiently exposing potential successor(s) to the business. Early exposure to the business is needed for the potential successor to establish relationships with key suppliers, customers, and lenders; to build credibility within the company; and to understand the culture and intricacies of the firm (Lansberg & Astrachan, 1994). If the potential successor is exposed to the business too late, these aspects may be lacking, thus preventing succession from taking place.

Not giving the potential successor(s) sufficient feedback about the succession progress. During the succession process, changes in expectations, succession goals, strategy, or industry context may reshape succession requirements (Osborne, 1991). Without periodic feedback about how things are progressing, the potential successor may become frustrated and decide to leave the family business, thus preventing succession.

The third subcategory includes factors related to successor selection. These include the following.

Not formalizing rational and objective criteria for selection. The selection of a successor should be based on rational and objective criteria (Levinson, 1971). Not formalizing the criteria for successor selection may cause other family members or nonfamily managers to perceive that the process is unfair. This may give rise to conflicts, which, in turn, could lead to an abortive succession for reasons discussed under relation factors.

Not defining the composition of the team in charge of the assessment of potential successor(s). In a family business, the composition of the team in charge of the successor's assessment is usually not explicitly defined. Rather, the assessment is frequently made by an informal group of family members (Ward, 2004). Such a situation can increase the sense of unfairness about the selection process, thus laying the foundations for conflicts within the family business. This, in turn, may stop the succession.

Conclusions

We reviewed and analyzed the research and case study literature to determine the antecedents and direct causes that prevent an intended intra-family management succession from taking place. Although much has been written about the factors influencing the outcome of the succession process (Sharma, Chrisman, & Chua, 2003; Sharma et al., 2001; Venter et al., 2005), little attention has been given to modeling the reasons why intra-family succession might not take place when there is an intention to do so and a potential successor available. Such attention is important because of the role family firms play in the global economy and the difficulties involved in intra-family succession. By better understanding the factors preventing succession, these difficulties might be ameliorated. Thus, our model suggests a chain of causation that should be useful to researchers wishing to study the causes of abortive succession attempts and to family business owners and managers wishing to reduce the probability that their intentions for intra-family succession are frustrated.

Aside from quantifying the model proposed in this article to establish the relative importance of the antecedents and factors, it would be interesting to investigate how characteristics of the family and the business might impact decisions on whether to proceed with intra-family successions. Although the model was designed to be descriptive in the sense of identifying factors that are likely to prevent intra-family succession, it should be apparent that assessments regarding the qualifications of potential successors and the prospects for a family business require judgments and not all family businesses will make identical judgments given the same data. Therefore, gaining an appreciation of the characteristics of the family, the business, and the dominant coalition that cause variations in succession decisions would be useful. For example, our model is based on an assumption that the dominant coalition will make decisions rationally according to available information. However, decision making in family businesses is not always rational owing to emotional attachments to the business and altruistic tendencies toward family members (e.g., Schulze, Lubatkin, Dino, & Buchholtz, 2001; Sharma et al., 2001). Potential successors might also benefit from research that helps them make realistic assessments of their prospects for success and happiness as top managers of their family's business.

Furthermore, because of the pivotal nature of an intention for succession in capturing the essence of a family business (Chua et al., 1999), determining how characteristics of the family, business, and dominant coalition might lead to variations in succession decisions would be helpful in distinguishing among different types of family firms. Since it is likely that intra-family succession *would not* be consummated in the presence of one or more of the antecedent factors discussed in this article, future research and theory development might also constructively employ our model as a starting point for understanding the determinants of succession failure.

The model developed in this article focuses on management succession. Although our discussion makes it clear that decisions concerning management succession are correlated with decisions concerning ownership succession, particularly in regard to financial factors, we have not explicitly dealt with the topic of ownership succession. Future work is needed in this area.

It appears that the model could be tested using either qualitative or quantitative methods. Qualitative studies would be useful since the factors that could prevent succession from occurring are many and complex, and the important aspects of the succession process may take a considerable period of time to unfold (cf. Eisenhardt, 1989b; Yin, 1994). However, in order to test models as complex as the ones proposed in this article, large-scale studies are also necessary. Ideally, such studies should be longitudinal to ensure that cause-effect and temporal relationships between the antecedents and the direct causes of succession not taking place are captured.

The difficulties involved in gaining access to data, particularly longitudinal data, on family businesses in which the succession process has not taken place must be taken into consideration. An abortive succession attempt is likely to be a very sensitive subject among members of family businesses who are already known to be protective of their privacy (Cabrera-Suárez & Santana-Martín, 2003). An approach to solve the access problem would be to collect data from or through family business consultants. Besides providing useful contacts, consultants might possess useful insights of their own that could be tapped for research purposes.

Since the perceptions of stakeholders on an important and sensitive issue such as succession are likely to vary (Sharma et al., 2003), it will be important to collect data from different family members, in order to analyze the research issue from multiple perspectives, and to integrate primary data with secondary sources of information. The use of multiple sources of data will allow the triangulation of evidence (Yin, 1994), so that construct validity is ensured.

In conclusion, this study has sought to fill a gap in the family business succession literature by seeking to gain an understanding of the factors that prevent intra-family succession from occurring. The effort has produced a model that can form the basis for future research on this topic. As well, we believe that the model of impediments to management succession provides useful insights toward a better appreciation of related topics such as ownership succession and succession failure. Finally, because succession is a defining feature of a family firm, a systematic examination of succession decisions, both positive and negative, can contribute to our ability to distinguish between different types of family firms. We hope this effort will stimulate further investigations along these and other lines.

Appendix: Factors and Main Bibliographic Sources

Factor	Source
Low ability of potential successor(s)	Barach & Gantisky, 1995; Barach et al., 1988; Boldizzoni, Cifalino, & Serio, 2000; Brockhaus, 2004; Cabrera-Suárez, De Saá-Pérez, García-Almeida, 2001; Chrisman et al., 1998; Ciampa & Watkins, 1999; Goldberg, 1997; Hume, 1999; Kaye, 1999; Kets de Vries, 1986; Le Breton-Miller, Miller, & Steier, 2004; D. Miller, Steier, & Le Breton-Miller, 2003; Morris et al., 1997; Potts, Schoen, Engel Loeb, & Hulme, 2001; Venter et al., 2005; Ward, 1987; Weinstein, 1999
Dissatisfaction/lack of motivation of potential successor(s)	Barach & Gantisky, 1995; Barry, 1975; Bjuggren & Sund, 2000; Bowen, 1978; Cespedes & Galford, 2004; Chrisman et al., 1998; Dumas, Dupuis, Richer, & St.-Cyr, 1995; Fox, Nilakant, & Hamilton, 1996; Goldberg & Wooldridge, 1993; Handler & Kram, 1988; Hugron & Dumas, 1993; Le Breton-Miller et al., 2004; Matthews, Moore, & Fialko, 1999; Morris et al., 1997; Neubauer, 2003; Potts et al., 2001; Sharma, 2004; Sharma, Chrisman, & Chua, 1997; Sharma & Rao, 2000; Sharma et al., 2001; Stavrou, 1999; Venter et al., 2005
Unexpected loss of potential successor(s)	Handler & Kram, 1988; Levenburg, Wolterink, & Subramanian, 2003; W. D. Miller, 2000
Personal sense of attachment of the incumbent with the business	Barach & Gantisky, 1995; Barnes & Hershon, 1976; Bruce & Picard, 2006; Cabrera-Suárez et al., 2001; Churchill & Lewis, 1983; Danco, 1980; J. A. Davis, 1982; Dyer, 1986; Handler, 1989, 1990; Handler & Kram, 1988; Haveman & Khaire, 2004; Kepner, 1983; Kets de Vries, 1986, 1988, 1989; Lansberg, 1988; Le Breton-Miller et al., 2004; McGiven, 1978; Potts et al., 2001; Sharma et al., 2001; Sonnenfeld & Spence, 1989; Sveen & Lank, 1993; Ward, 1987
Unexpected, premature loss of the incumbent	Kelly et al., 2000
Incumbent's unforeseen remarriage, divorce, or birth of new children	Dick & Kets de Vries, 1992
Conflicts/rivalries/competition in parent-child relationship	Brockhaus, 2004; Cabrera-Suárez et al., 2001; Chrisman et al., 1998; Dickinson, 2000; Dyer, 1986; Goldberg, 1996; Goldberg & Wooldridge, 1993; Grote, 2003; Handler, 1989, 1990, 1992; Hugron & Dumas, 1993; Kets de Vries, 1989, 1996; Kets De Vries & Miller, 1984, 1987; Lansberg, 1988, 1999; Lansberg & Astrachan, 1994; Le Breton-Miller et al., 2004; Mahler, Pine, & Bergman, 1975; Matthews et al., 1999; D. Miller et al., 2003; Neubauer & Lank, 1998; Stempler, 1988; Stierlin, 1974; Venter et al., 2005; Ward, 1987
Conflicts/rivalries/competition among family members	Boles, 1996; Bruce & Picard, 2006; Dyer, 1994; Grote, 2003; Handler, 1994; Handler & Kram, 1988; Kaye, 1991; Kets de Vries, 1986, 1989; Lansberg, 1999; Lansberg & Astrachan, 1994; Leach & Bogod, 1999; D. Miller et al., 2003; Pitts, 2000; Sharma et al., 2001; Sveen & Lank, 1993; Venter et al., 2005
Perils related to high "consensus sensitiveness" of the FB	P. S. Davis, 1983; Hollander & Elman, 1988; Kelly et al., 2000; Kepner, 1983; Kets de Vries, 1989; E. J. Miller & Rice, 1967; Reiss, 1982; Schein, 1983; Walsh, 1994; Ward, 1988
Lack of trust in the potential successor(s) by family members	Barach et al., 1988; Brown, 1993; Chrisman et al., 1998; Dickinson, 2000; Donckels & Lambrecht, 1999; Goldberg & Wooldridge, 1993; Handler & Kram, 1988; Kets de Vries, 1986; Matthews et al., 1999; Seymour, 1993; Sharma, 1997; Venter et al., 2005; Ward, 1988, 2004
Lack of commitment to the potential successor(s) by family members	Boles, 1996; Kets de Vries, 1989; Lundberg, 1994; Ward, 2004
Conflicts between incumbent/potential successor(s) and nonfamily members	Bruce & Picard, 2006; Cespedes & Galford, 2004; Goldberg, 1997; Kets De Vries, 1988; Sveen & Lank, 1993
Lack of trust in the potential successor(s) by nonfamily members	Barach et al., 1988; Cespedes & Galford, 2004; Dickinson, 2000; Donckels & Lambrecht, 1999; Goldberg & Wooldridge, 1993; Handler & Kram, 1988; Kets de Vries, 1986, 1989; Matthews et al., 1999
Lack of commitment to the potential successor(s) by nonfamily members	Boles, 1996; Cespedes & Galford, 2004; Kets de Vries, 1986, 1989; Lundberg, 1994; Sveen & Lank, 1993

Appendix (*Continued*)

Factor	Source
Inability to sustain the tax burden related to succession	Parrini, 2000; Perrini, 1998
Inability to find financial resources to liquidate the possible exit of heir(s)	Parrini, 2000; Perrini, 1998
Inadequate financial resources to absorb the costs of hiring professional managers	Perrini, 1998
Change in the business performance	Carlock & Ward, 2001; Cespedes & Galford, 2004; Dalton & Kesner, 1983; Dumas et al., 1995; Fox et al., 1996; Handler, 1989; Handler & Kram, 1988; Kaye, 1999; Lansberg, 1999; Pfeffer & Salancik, 1978; Schwartz & Menon, 1985; Sharma, 1997; Stavrou, 1995; Sveen & Lank, 1993; Venter et al., 2005
Decrease in the scale of the business	Carlock & Ward, 2001; Dumas et al., 1995; Fox et al., 1996; Handler, 1989; Kaye, 1999; Lansberg, 1999; Sharma, 1997; Stavrou, 1999; Venter et al., 2005
Loss of customers or suppliers/decline of the relationship between the potential successor(s) and customers or suppliers	Lansberg, 1988
Not clearly defining the roles of the incumbent and the successor(s)	Kets de Vries, 1989; Lansberg, 1988; Le Breton-Miller et al., 2004; Organ, 1990; Rosenberg, 1991; Sharma et al., 2001
Not communicating and sharing the decisions related to the succession process with family members and other stakeholders	Ambrose, 1983; Barach & Gantisky, 1995; Barnes & Hershon, 1976; Chrisman et al., 1998; Dyck, Mauws, Starke, & Mischke, 2002; Dyer, 1986; Johanisson & Huse, 2000; Lansberg, 1999; Le Breton-Miller et al., 2004; Potts et al., 2001; Sharma et al., 2001; Sveen & Lank, 1993; Ward, 1987
Incorrectly evaluating the gaps between needs and potential successor's abilities	Fischetti, 1997; Fleming, 2000; Le Breton-Miller et al., 2004
Failing to train potential successor(s)	Churchill & Hatten, 1987; Danco, 1982; Goldberg, 1996; Handler & Kram, 1988; Le Breton-Miller et al., 2004; McGiven, 1978; Morris et al., 1997; Ward, 1987, 2004
Late or insufficiently exposing potential successor(s) to the business	Barach & Gantisky, 1995; Barach et al., 1988; Cabrera-Suárez et al., 2001; Dyer, 1986; Goldberg, 1996; Handler, 1989, 1990; Lansberg & Astrachan, 1994; Minuchin, 1974; Ward, 1987
Not giving the potential successor(s) sufficient feedback about the succession progress	Le Breton-Miller et al., 2004; Osborne, 1991
Not formalizing rational and objective criteria for selection	Birley, Ng, & Godfrey, 1999; Fleming, 2000; Levinson, 1971
Not defining the composition of the team in charge for the assessment of potential successor(s)	Collins & Porras, 2000; Ward, 2004

References

Ambrose, D. M. (1983). Transfer of the family-owned business. *Journal of Small Business Management, 21*(1), 49–56.

Barach, J. A., & Gantisky, J. B. (1995). Successful succession in family business. *Family Business Review, 8*, 131–155.

Barach, J. A., Gantisky, J., Carson J. A., & Doochin, B. A. (1988). Entry of the next generation: Strategic challenge for family business. *Journal of Small Business Management, 26*(2), 49–56.

Barnes, L. B., & Hershon, S. A. (1976). Transferring power in the family business. *Harvard Business Review, 54*(4), 105–114.

Barry, B. (1975). The development of organization structure in the family firm. *Journal of General Management*, Autumn, 42–60.

Birley, S., Ng, D., & Godfrey, A. (1999). The family and the business. *Long Range Planning, 36*(6), 598–608.

Bjuggren, P., & Sund, L. (2000). *Organisation of successions of small and medium sized enterprises within the family.* Presented at the Proceedings of the International Council for Small Business, 45th World Conference. Brisbane, Australia.

Boldizzoni D., Cifalino, A., & Serio, L. (2000). L'impresa familiare: modelli di analisi ed evidenze empiriche. Una ricerca sull'imprenditorialità marchigiana. *Piccola Impresa* [*Small Business*], *3*, 3–22.

Boles, J. S. (1996). Influences of work-family conflict on job satisfaction, life satisfaction and quitting intentions among business owners: The case of family-operated businesses. *Family Business Review, 9*, 61–74.

Bowen, M. (1978). *Family therapy in clinical practice.* New York: Aronson.

Brockhaus, R. H. (2004). Family business succession: Suggestions for future research. *Family Business Review, 17*, 165–177.

Brown, F. H. (1993). Loss and continuity in the family firm. *Family Business Review, 6*, 111–130.

Bruce, D., & Picard, D. (2006). Making succession a success: Perspectives from Canadian small and medium-sized enterprises. *Journal of Small Business Management, 44*(2), 306–309.

Cabrera-Suárez, K., De Saá-Pérez, P., & García-Almeida, D. (2001). The succession process from a resource and knowledge-based view of the family firm. *Family Business Review, 14*, 37–46.

Cabrera-Suárez, K., & Santana-Martín, D. J. (2003). *Corporate and family governance in the Spanish family firms.* Available at http://www.fgvsp.br/iberoamerican/Papers/0163_GovernancefamilyIAM.pdf.

Carlock, R. S., & Ward, J. L. (2001). *Strategic planning for the family business. Parallel planning to unify the family and the business.* Houndsmill, NY: Palgrave Publishers, Ltd.

Cespedes, F. V., & Galford R. M. (2004). Succession and failure. *Harvard Business School Case Study*, June.

Chrisman, J. J., Chua, J. H., & Sharma, P. (1998). Important attributes of successors in family businesses: An exploratory study. *Family Business Review, 11*, 19–34.

Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship Theory and Practice, 23*(4), 19–39.

Chua, J. H., Chrisman, J. J., & Sharma, P. (2003). Succession and nonsuccession concerns of family firms and agency relationship with nonfamily managers. *Family Business Review, 16*, 89–107.

Churchill, N. C., & Hatten, K. J. (1987). Non-market-based transfers of wealth and power: A research framework for small businesses. *American Journal of Small Business, 11*(3), 51–64.

Churchill, N.C., & Lewis, V. L. (1983). The five stages of family business growth. *Harvard Business Review, 61*(3), 30–51.

Ciampa, D., & Watkins, M. (1999). The successor's dilemma. *Harvard Business Review, 77*(6), 161–168.

Collins, J. C., & Porras, J. I. (2000). *Built to last: Successful habits of visionary companies.* London: Random Books.

Dalton, D. R., & Kesner, I. F. (1983). Inside/outside succession and organizational size: The pragmatics of executive replacement. *Academy of Management Journal, 26*, 736–742.

Danco, L. A. (1980). *Inside the family business.* Cleveland, OH: University Press.

Danco, L. A. (1982). *Beyond survival: A business owner's guide for success.* Cleveland, OH: University Press.

Davis, J. A. (1982). *The influence of life-stage on father-son work relationship in family companies.* Unpublished doctoral dissertation, Harvard Business School.

Davis, P. S. (1983). Realizing the potential of the family business. *Organizational Dynamics*, Summer, 47–56.

Davis, P. S., & Harveston, P. D. (1998). The influence of family on business succession process: A multi-generational perspective. *Entrepreneurship Theory and Practice, 22*(3), 31–53.

Dick, R., & Kets de Vries, M. F. R. (1992). The Bonnier Group in transition. *INSEAD Case Study.*

Dickinson, T. M. (2000). *Critical success factors for succession planning in family businesses.* Unpublished research report in partial fulfillment of Master in Business Administration degree, Faculty of Business Administration, University of the Witwatersrand, Johannesburg.

Donckels, R., & Lambrecht, J. (1999). The re-emergence of family-based enterprises in east central Europe: What can be learned from family business research in the Western world? *Family Business Review, 12*, 171–188.

Dumas, C., Dupuis, J. P., Richer, F., & St.-Cyr, L. (1995). Factors that influence the next generation's decision to take over the family farm. *Family Business Review, 8*, 99–120.

Dyck, B., Mauws, M., Starke, F. A., & Mischke, G. A. (2002). Passing the baton: The importance of sequence, timing, technique and communication in executive succession. *Journal of Business Venturing, 17*, 143–162.

Dyer, W. J., Jr. (1986). *Cultural change in family business: Anticipating and managing business and family transitions*. San Francisco, CA: Jossey-Bass.

Dyer, W. J., Jr. (1994). Potential contributions of organizational behavior to the study of family owned business. *Family Business Review, 8*, 29–39.

Eisenhardt, K. M. (1989a). Agency theory: An assessment and review. *Academy of Management Review, 14*, 57–74.

Eisenhardt, K. M. (1989b). Building theories from case studies research. *Academy of Management Review, 14*, 532–550.

Fischetti, M. (Ed.). (1997). *The family business succession handbook. A practical guide to transferring leadership and ownership to the next generation.* Philadelphia, PA: Family Business Publishing.

Fleming, Q. J. (2000). *Keep the family baggage out of the family business. Avoiding the seven deadly sins that destroy family businesses.* New York: Fireside.

Fox, M., Nilakant, V., & Hamilton, R. T. (1996). Managing succession in family-owned businesses. *International Small Business Journal, 15*(1), 15–25.

Gersick, K., Davis, J., Hampton, M. M., & Lansberg, I. (1997). *Generation to generation.* Boston, MA: Harvard Business School Press.

Goldberg, S. D. (1996). Research note: Effective successors in family-owned businesses: Significant elements. *Family Business Review, 9*, 185–197.

Goldberg, S. D. (1997). Noren Discount Stores: Death of a family business. *Family Business Review, 10*, 69–93.

Goldberg, S. D., & Wooldridge, B. (1993). Self-confidence and managerial autonomy: Successor characteristics critical to succession in family firms. *Family Business Review, 6*, 55–73.

Grote, J. (2003). Conflicting generations: A new theory of family business rivalry. *Family Business Review, 16*, 113–122.

Handler, W. C. (1989). *Managing the family firm succession process: The next generation family member's experience.* Unpublished doctoral dissertation, School of Management, Boston University.

Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next-generation family members. *Entrepreneurship Theory and Practice, 15*(1), 37–51.

Handler, W. C. (1992). Succession experience of the next generation. *Family Business Review, 5*(3), 283–307.

Handler, W. C. (1994). Succession in family business: A review of the research. *Family Business Review, 7*, 133–157.

Handler, W. C., & Kram, K. E. (1988). Succession in family firms: The problem of resistance. *Family Business Review, 1*, 361–381.

Haveman, H. A., & Khaire, M. V. (2004). Survival beyond succession? The contingent impact of founder succession on organizational failure. *Journal of Business Venturing, 19*, 437–463.

Hollander, B. S., & Elman, N. S. (1988). Family-owned businesses: An emerging field of inquiry. *Family Business Review, 1*, 145–164.

Hoy, F., & Verser, T. G. (1994). Emerging business, emerging field: Entrepreneurship and the family firm. *Entrepreneurship Theory and Practice, 19*(1), 9–23.

Hugron, P., & Dumas, C. (1993). *Modélisation du processus de succession des entreprises familiales québé-coises.* Cahier de recherché no. GREF-93-07. Montréal: HEC Montréal.

Hume, S. A. (1999). *An assessment of the risk of family business failure.* Unpublished doctoral dissertation, Antioch University, NH.

Johanisson, B., & Huse, M. (2000). Recruiting outside board members in the small family business: An ideological challenge. *Entrepreneurship and Regional Development, 12*, 353–378.

Kaye, K. (1991) Penetrating the cycle of sustained conflict. *Family Business Review, 4*, 21–43.

Kaye, K. (1999). Is succession such a sweet dream? *Family Business Review, 10*, 15–17.

Kelly, L. M., Athanassiou, N., & Crittenden, W. F. (2000). Founder centrality and strategic behavior in the family-owned firm. *Entrepreneurship Theory and Practice, 25*(2), 27–42.

Kepner, E. (1983). The family and the firm: A co-evolutionary perspective. *Organizational Dynamics*, Summer, 57–70.

Kets de Vries, M. F. R. (1985). The dark side of entrepreneurship. *Harvard Business Review, 63*(6), 160–167.

Kets de Vries, M. F. R. (1986). Roland and Stone Inc. *INSEAD Case Study.*

Kets de Vries, M. F. R. (1988). The dark side of CEO succession. *Harvard Business Review*, January–February, 56–60.

Kets de Vries, M. F. R. (1989). The Nadia Corporation. *INSEAD Case Study.*
Kets de Vries, M. F. R. (1996). *Family business.* London: International Thompson.
Kets de Vries, M. F. R., & Miller, D. (1984). *The neurotic organization.* San Francisco, CA: Jossey-Bass.
Kets de Vries, M. F. R., & Miller, D. (1987). *Unstable at the top.* New York: NAL.
Lansberg, I. (1983). Managing human resources in family firms: The problem of institutional overlap. *Organizational Dynamics, 12*(1), 39–46.
Lansberg, I. (1988). The succession conspiracy. *Family Business Review, 1*, 119–143.
Lansberg, I. (1999). *Succeeding generations: Realizing the dreams of families in business.* Boston, MA: Harvard Business School Press.
Lansberg, I., & Astrachan, J. H. (1994). Influence of family relationships on succession planning and training: The importance of mediating factors. *Family Business Review, 7*, 39–59.
Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice, 28*, 305–328.
Leach, P., & Bogod, T. (1999). *The BDO Stoy Hayward guide to the family business.* London: Kogan Page Ltd.
Levenburg, N. M., Wolterink, T. D., & Subramanian, R. (2003). MetalBenders Industries, Inc.: The accidental entrepreneur. *Case Research Journal, 23*(4), 115–134.
Levinson, H. (1971). Conflicts that plague family businesses. *Harvard Business Review, 49*(2), 90–98.
Lundberg, C. C. (1994). Unraveling communications among family members. *Family Business Review, 7*, 29–37.
Mahler, M., Pine, F., & Bergman, A. (1975). *The psychological birth of the human infant.* New York: Basic Books.
McCollom, M. E. (1988). Integration in the family firm: When the family system replaces controls and culture. *Family Business Review, 1*, 399–417
McGiven, C. (1978). The dynamics of management succession. *Management Decision, 16*(1), 32.
Matthews, C. H., Moore, T. W., & Fialko, A. S. (1999). Succession in the family firm: A cognitive categorization perspective. *Family Business Review, 12*, 159–169.
Miller, D., Steier, L., & Le Breton-Miller, I. (2003). Lost in time: Intergenerational succession, change and failure in family business. *Journal of Business Venturing, 18*, 513–531.
Miller, E. J., & Rice, A. K. (1967). *Systems of organization: Task and sentient systems and their boundary control.* London: Tavistock Publications.
Miller, W. D. (2000). The ghost in the family business. *Harvard Business Case Study.*
Minuchin, S. (1974). *Families and family therapy.* Cambridge, MA: Harvard University Press.
Montemerlo, D. (2000). *Il governo delle imprese familiari. Modelli e strumenti per gestire i rapporti tra proprietà e impresa.* Milano: EGEA.
Morris, M. H., Williams, R. W., Allen J. A., & Avila R. A. (1997). Correlates of success in family business transitions. *Journal of Business Venturing, 12*, 385–401.
Neubauer, H. (2003). The dynamics of succession in family business in western European countries. *Family Business Review, 16*, 269–281.
Neubauer, H., & Lank, A. G. (1998). *The family business-Its governance for sustainability.* New York: Routledge.
Organ, D. W. (1990). The motivational basis of organizational citizenship behavior. *Research in Organization Behavior, 12*, 43–72.
Osborne, R. L. (1991). Second-generation entrepreneurs: Passing the baton in the privately held company. *Management Decision, 29*(1), 42–46.
Parrini, L. (2000). La finanza straordinaria per pianificare la successione. *Amministrazione & Finanza, 14*, 63–66.
Perrini, F. (1998). Finanza per la successione nelle PMI. Private equity e imprese familiari. *Economia & Management, 2*, 57–67.
Pfeffer, J., & Salancik G. R. (1978). *The external control of organizations: A resource dependence perspective.* New York: Harper & Row.
Pitts, G. (2000). *In the blood.* Toronto: Doubleday.
Potts, T. L., Schoen, J. E., Engel Loeb, M., & Hulme F. S. (2001). Effective retirement for family business owner-managers: Perspectives of financial planners—Part 2. *Journal of Financial Planning, 14*(7), 86–96.
Reiss, D. (1982). The working family: A researcher's view of health in household. *American Journal of Psychiatry*, November, 1412–1420.
Rosenberg, C. F. (1991). *Entrepreneurial couples: Organizational, marital and spouse/personal factors that influence the quality of their work relationship.* Unpublished doctoral dissertation, Temple University.
Rosenblatt, P. C., de Mik, L., Anderson, R. M., & Johnson, P. A. (1985). *The family in business: Understanding and dealing with the challenges entrepreneurial families face.* San Francisco, CA: Jossey-Bass.
Schein, E. H. (1983). The role of the founder in creating organizational culture. *Organizational Dynamics, 12*(1), 13–28.
Schulze, W. S., Lubatkin, M. H., Dino, R. N., & Buchholtz, A. K. (2001). Agency relationships in family firms:

Theory and evidence. *Organization Science, 12,* 99–116.

Schwartz, K. B., & Menon, K. (1985). Executive succession in failing firms. *Academy of Management Journal, 28,* 680–686.

Seymour, K. C. (1993). Intergenerational relationships in the family firm: The effect on leadership succession. *Family Business Review, 6,* 263–282.

Sharma, P. (1997). *Determinants of the satisfaction of the primary stakeholders with the succession process in family firms.* Unpublished doctoral dissertation, University of Calgary, Canada.

Sharma, P. (2004). An overview of family business studies: Current status and directions for the future. *Family Business Review, 17,* 1–36.

Sharma, P., Chrisman, J. J., & Chua, J. H. (1997). Strategic management of the family business: Past research and future challenges. *Family Business Review, 10,* 1–35.

Sharma, P., Chrisman, J. J., & Chua, J. H. (2003). Predictors of satisfaction with the succession process in family firms. *Journal of Business Venturing, 18,* 667–687.

Sharma, P., Chrisman, J. J., Pablo A. L., & Chua, J. H. (2001). Determinants of initial satisfaction with the succession process in family firms: A conceptual model. *Entrepreneurship Theory and Practice, 25*(3), 17–35.

Sharma, P., & Rao, S. (2000). Successor attributes in Indian and Canadian family firms: A comparative study. *Family Business Review, 13,* 313–330.

Sonnenfeld, J. (1988). *The hero's farewell: What happens when CEOs retire.* New York: Oxford University Press.

Sonnenfeld, J., & Spence, P. L. (1989). The parting patriarch of a family firm. *Family Business Review, 2,* 355–375.

Stavrou, E. (1995). *The next generation's dilemma: To join or not to join the family business.* Presented at the Family Firm Institute Conference Proceedings. St. Louis.

Stavrou, E. (1999). Succession in family businesses: Exploring the effects of demographic factors on offspring intentions to join and take over the business. *Journal of Small Business Management, 37*(3), 43–62.

Stempler, G. L. (1988). A study of succession in family-owned businesses. Unpublished doctoral dissertation, George Washington University, Washington, DC.

Stierlin, H. (1974). *Separating parents and adolescents.* New York: Quandrangle.

Sveen, J., & Lank, A. (1993). Braun Gesellschaft MBH. *IMD Case Study.*

Upton, N., Vinton, K., Seaman, S., & Moore, C. (1993). Research note: Family business consultants—Who we are, what we do, and how we do it? *Family Business Review, 6,* 301–311.

Venter, E., Boshoff, C., & Maas, G. (2005). The influence of successor-related factors on the succession process in small and medium-sized family businesses. *Family Business Review, 18,* 283–303.

Walsh, F. (1994). Healthy family functioning: Conceptual and research developments. *Family Business Review, 7,* 175–198.

Ward, J. L. (1987). *Keeping the family business healthy: How to plan for continuing growth, profitability and family leadership.* San Francisco, CA: Jossey-Bass.

Ward, J. L. (1988). The special role of strategic planning for family businesses. *Family Business Review, 1,* 105–117.

Ward, J. L. (1997). *Keeping the family business healthy: How to plan for continuity growth, profitability and family leadership.* Marietta, GA: Business Owner Resources.

Ward, J. L. (2004). *Perpetuating the family business. 50 lessons learned from long-lasting, successful families in business.* New York: Palgrave Macmillan.

Weinstein, A. G. (1999). *Family business in the United States—Research and observations.* Presented at the 44th World Conference of the International Council for Small Business. Naples, Italy.

Yin, R. K. (1994). *Case study research. Design and methods* (2nd ed.). Thousand Oaks, CA: Sage Publications.

Alfredo De Massis, Accenture—Strategy Global Service Line and Politecnico di Milano—School of Management, Dipartimento di Ingegneria Gestionale, Piazza L. Da Vinci, 32-20133, Milano, Italy; tel: +(39)320.1766.895; alfredo.demassis@polimi.it.
Jess H. Chua, Haskayne School of Business, University of Calgary, 2500 University Drive, NW, Calgary, Alberta T2N 1N4, Canada; tel: 403-220-6331; chua@ucalgary.ca.
James J. Chrisman, College of Business and Industry, Mississippi State University, Starkville, MS 39759-9581, USA; tel: 662-325-1991; jchrisman@cobilan.msstate.edu; and Centre for Entrepreneurship and Family Enterprise, University of Alberta.

The authors are grateful to Franz Kellermanns and Sabine Klein for their comments on an earlier version of this article.